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Terrorism in South Asia

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Terrorism in South Asia

Summary

This report reviews the recent incidence of terrorism in South Asia, concentrating on Pakistan and India, but also including Afghanistan, Bangladesh, Sri Lanka, and Nepal. The existence of international terrorist groups and their supporters in South Asia is identified as a threat to both regional stability and to the attainment of central U.S. policy goals. Al Qaeda forces that fled from Afghanistan with their Taliban supporters remain active on Pakistani territory, and Al Qaeda is believed to have links with indigenous Pakistani terrorist groups that have conducted anti-Western attacks and that support separatist militancy in Indian Kashmir. Al Qaeda founder Osama bin Laden and his lieutenant, Ayman al-Zawahiri, are believed to be in Pakistan. A significant portion of Pakistan's ethnic Pashtun population is reported to sympathize with the Taliban and even Al Qaeda. The United States maintains close counterterrorism cooperation with Pakistan aimed especially at bolstering security and stability in neighboring Afghanistan. In the latter half of 2003, the Islamabad government began limited military operations in the traditionally autonomous tribal areas of western Pakistan. Such operations intensified in 2004 in coordination with U.S. and Afghan forces just across the international frontier.

The relationships between international terrorists, indigenous Pakistani extremist groups, and some elements of Pakistan's political-military structure are complex and murky, but may represent a serious threat to the attainment of key U.S. policy goals. There are past indications that elements of Pakistan's intelligence service and Pakistani Islamist political parties provided assistance to U.S.-designated Foreign Terrorist Organizations (FTOs). A pair of December 2003 attempts to assassinate Pakistan's President Musharraf reportedly were linked to Al Qaeda. Lethal, but failed attempts to assassinate other top Pakistani officials in summer 2004 also were linked to Al Qaeda-allied groups. Security officers in Pakistan appeared in the summer of 2004 to have made major strides in breaking up significant Al Qaeda and related networks operating in Pakistani cities.

The 9/11 Commission Report contains recommendations for U.S. policy toward Pakistan, emphasizing the importance of eliminating terrorist sanctuaries in western Pakistan and near the Afghanistan-Pakistan border and calling for provision of long-term and comprehensive support to the government of President Musharraf so long as that government remains committed to combating extremism and to a policy of "enlightened moderation." Legislation passed by the 108th Congress (S. 2845) seeks to implement this and other Commission recommendations.

The United States remains concerned by the continued "cross-border infiltration" of Islamic militants who traverse the Kashmiri Line of Control to engage in terrorist acts in India and Indian Kashmir. India also is home to several indigenous separatist and Maoist-oriented terrorist groups. Moreover, it is thought that some Al Qaeda elements fled to Bangladesh. The Liberation Tigers of Tamil Eelam (LTTE) of Sri Lanka have been designated as an FTO under U.S. law, while Harakat ul-Jihad-I-Islami/Bangladesh, and the Communist Party of Nepal (Maoist)/United Peoples Front, appear on the State Department's list of "other terrorist groups."

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Terrorism in South Asia

This report reviews the recent incidence of terrorism in South Asia, concentrating on Pakistan and India, but also including Afghanistan, Bangladesh, Sri Lanka, and Nepal.¹ In the wake of the September 2001 terrorist attacks on the United States, President Bush launched major military operations in South and Southwest Asia as part of the global U.S.-led anti-terrorism effort. Operation Enduring Freedom in Afghanistan has seen substantive success with the vital assistance of neighboring Pakistan. Yet the United States remains concerned that members of Al Qaeda and its Taliban supporters have found haven and been able, at least partially, to regroup in Pakistani cities and in the rugged Pakistan-Afghanistan border region. This latter area is inhabited by ethnic Pashtuns who express solidarity with anti-U.S. forces. Al Qaeda also reportedly has made alliances with indigenous Pakistani terrorist groups that have been implicated in both anti-Western attacks in Pakistan and terrorism in Indian Kashmir. These groups seek to oust the government of President Gen. Pervez Musharraf and have been named as being behind two December 2003 assassination attempts that were only narrowly survived by the Pakistani leader. In fact, Pakistan's struggle with militant Islamic extremism appears for some to have become a matter of survival for that country.² Along with these concerns, the United States expresses an interest in the cessation of "cross-border infiltration" by separatist militants based in Pakistani-controlled areas who traverse the Kashmiri Line of Control (LOC) to engage in terrorist activities both in Indian Kashmir and in Indian cities. U.S.-designated terrorist groups also remain active in Bangladesh, Nepal, and Sri Lanka.

In March 2004, the Assistant Secretary of State for South Asia, Christina Rocca, told the Senate Foreign Relations Committee that the top U.S. policy goal in the region is "combating terror and the conditions that breed terror in the frontline states of Afghanistan and Pakistan."³ *The 9/11 Commission Report*, released in July 2004, emphasizes that the mounting of large-scale international terrorist attacks appears to require sanctuaries in which terrorist groups can plan and operate with impunity. It also notes that Al Qaeda benefitted greatly from its former sanctuary in Afghanistan that was in part made possible by logistical networks that ran through Pakistan. The report further notes that Pakistan's vast unpoliced regions remain attractive to extremist groups and that almost all of the 9/11 attackers traveled the north-south

¹ "Terrorism" here is understood as being "premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents, usually intended to influence an audience" (see Title 22, Section 2656f(d) of the United States Code).

² See, for example, Syed Rifaat Hussain, "War Against Terrorism: Pakistani Perspective," *IPRI Journal* (Islamabad), Winter 2004, p. 42.

³ "State's Rocca Outlines Assistance Plans for South Asia," U.S. Department of State Washington File, March 2, 2004.

nexus from Kandahar in Afghanistan through Quetta and Karachi in Pakistan. The Commission identifies the government of President Pervez Musharraf as the best hope for stability in Pakistan and Afghanistan, and recommends that the United States make a long-term commitment to provide comprehensive support for Islamabad so long as Pakistan itself is committed to combating extremism and to a policy of “enlightened moderation.”⁴

Legislation in the 108th Congress sought to implement this and other Commission recommendations, in part through the provision of comprehensive and long-term assistance to Pakistan. The Intelligence Reform and Terrorism Prevention Act of 2004 (S. 2845, passed by Congress in December 2004) calls for U.S. aid to Pakistan to be sustained at a minimum of FY2005 levels with particular attention given to improving Pakistan’s education system and extends the President’s authority to waive coup-related sanctions through FY2006. It further requires the President to report to Congress within 180 days of enactment a description of a long-term U.S. strategy to engage with and support Pakistan. In passing the Foreign Operations FY2005 Appropriations bill (became P.L. 108-447 in December 2004), Congress approved the President’s \$700 million aid request for Pakistan, half of which is to fund security-related programs.

Most Recent Developments⁵

Efforts to kill or capture Al Qaeda and Taliban militants near **the Afghanistan-Pakistan border** continue to bring mixed results. An October presidential election in Afghanistan proceeded without the significant violence promised by Taliban remnants. Anti-militancy efforts by the Pakistani army appear to have contributed to this success. On November 12, the five most-wanted Pashtun tribal militant leaders in South Waziristan reportedly “surrendered” to government authorities by promising to remain peaceful and provide no shelter to foreign militants. In return, the government vowed to pay reparations for property damage and to release tribal prisoners. The five had been followers of Taliban loyalist Nek Mohammed, who was killed in a missile strike in June 2004. On the same day as this surrender, thousands of Pakistani troops launched a new offensive in South Waziristan, and, after two weeks of fighting, their corps commander declared that “peace has been restored in Wana,” the area where the bulk of combat took place in 2004. The general also announced that all but 3,000 troops and nine check posts would be withdrawn from

⁴ See Sections 12.1 and 12.2 of *The 9/11 Commission Report*, available at [<http://www.gpoaccess.gov/911/>]; Pervez Musharraf, “A Plea for Enlightened Moderation,” *Washington Post*, June 1, 2004.

⁵ Only the information found in this section and the introduction that precedes it is reliably current as of the cover date. The remaining sections received their most recent substantive updating in October 2004.

the Wana region, where less than one hundred militants are said to remain.⁶ President Musharraf made a brief visit to Washington in early December, where President Bush praised the Pakistani leader for working to combat terrorism, saying that the Pakistani army “has been incredibly active and very brave in southern Waziristan.” In response to a question about the reported reduction of Pakistani forces from tribal areas, Musharraf said there had been no withdrawal from South Waziristan, but that recent successes had led to a “change of tactics” requiring some repositioning. Days later, the Pakistani general commanding the border-area operations said his forces had taken complete control of South Waziristan’s tribal areas and that militants there no longer represented a threat.⁷

Despite some apparent successes and expressions of confidence, serious concerns remain. The Peshawar Corps Commander reports that 35 military operations in Waziristan have left 250 militants (and 175 Pakistani soldiers) dead and 600 captured in 2004, but no “high-value targets” are known to have been among these, and the militants swept out of Waziristan are believed to have found refuge in other areas where Pakistani troops are not active.⁸ President Musharraf asserts that the trail of Osama bin Laden—who appeared in a videotape that was delivered to the Islamabad offices of the Al-Jazeera news network in late October 2004—has gone cold, with no recent intelligence on where he and his top lieutenants are hiding. He suggested that the United States was partly responsible because a shortage of U.S.-led forces on the Afghan side of the border had left “voids.” In late November, the deputy U.S. military commander in Afghanistan reportedly warned that senior Al Qaeda leaders are still operating and assisting Taliban and foreign fighters near the Afghan-Pakistani border area, and they remain a “viable organization” that should not be underestimated. Moreover, Abdullah Mahsud — a Pakistani Pashtun militant who lost a leg fighting for the Taliban in Afghanistan and who was held for more than two years at the U.S. facility at Guantanamo Bay before being released in 2004 — orchestrated the kidnapping of two Chinese engineers in October, but he escaped a commando raid on his hideout near the Afghan border and remains at large.⁹

Pakistan continues to struggle with a virulent strain of belligerent Islamism that some analysts say threatens the survival of the country. In December, President Musharraf called his “biggest fear” the extremism, terrorism, and militancy that has “really polluted society in Pakistan.” He also conceded that some of Pakistan’s

⁶ Mohamed Khan and David Rhode, “Pakistan to Scale Back Force Around Town Near Afghan Border,” *New York Times*, November 26, 2004; Zulfiqar Khan, “Troops to Leave Wana,” *Dawn* (Karachi), November 27, 2004.

⁷ “President and President Musharraf Discuss International Relations, Commerce,” White House Press Release, December 4, 2004; “Transcript: Interview With Pervez Musharraf,” CNN Late Edition, December 5, 2004; “Pakistan ‘Controls’ South Waziristan,” BBC News, December 9, 2004.

⁸ Aamer Ahmed Khan, “Musharraf Thrives on US Support,” BBC News, December 8, 2004; Qudissa Akhlaque, “Militants Find New Sanctuaries,” *Dawn* (Karachi), December 11, 2004.

⁹ Robin Wright and Peter Baker, “Musharraf: Bin Laden’s Location is Unknown,” *Washington Post*, December 5, 2004; Tom Squitieri, “Al Qaeda Aim: Renew Afghan Fight,” *USA Today*, November 26, 2004; “Pakistan Forces Hunt for Militant,” BBC News, October 21, 2004.

religious schools are part of the problem: “There are many [madrassas] which are involved in militancy and extremism.”¹⁰ Major sectarian bomb attacks in early October again raised questions about the ability of Pakistan’s security forces to maintain order in the country’s urban centers (where, not incidentally, the great majority of top Al Qaeda fugitives have been found). Positive news did come on November 17, when Pakistani authorities announced that Asim Ghafoor, wanted in connection with the January 2002 kidnaping and murder of journalist Daniel Pearl, was killed in a shootout with Karachi police and that Naveed-ul Hasan, the member of a terrorist group who was believed involved in a deadly June 2002 bombing near the U.S. Consulate in Karachi, was arrested near the Indian border east of Lahore. Yet another lethal bomb attack, this one in Quetta on December 10, was blamed on Baluchi nationalists and again illuminated the serious problem posed by indigenous Pakistani terrorism in both its religious and ethnonationalist incarnations.¹¹

Pakistan-U.S. counterterrorism cooperation continues apace. A recent development was the November 16 Pentagon notification to Congress of three possible major Foreign Military Sales to Pakistan involving eight P-3C maritime reconnaissance aircraft, 2,000 TOW anti-armor missiles, and six Phalanx naval guns. The deals could be worth up to \$1.2 billion for Lockheed Martin and Raytheon, the prime contractors. The Department of Defense characterizes the P-3Cs and TOW missiles as having significant anti-terrorism applications (a claim that has elicited skepticism from some analysts), and it asserted that the proposed sales would not affect the military balance in the region. India’s external affairs minister later “cautioned the United States” against any decision to sell F-16 fighter jets to Pakistan, adding that the “U.S. arms supply to Pakistan would have a negative impact on the goodwill the United States enjoys with India, particularly as a sister democracy.” Just days after his December meeting with Secretary of Defense Rumsfeld, the Indian defense minister suggested that “supplying weapons like F-16 fighter aircraft, lethal missile systems and naval reconnaissance aircraft to Pakistan at this juncture would affect the [India-Pakistan] peace process.”¹²

The 20-month-old India-Pakistan peace initiative continues, most concretely with a formal cease-fire agreement along the Kashmiri Line of Control (LOC) and the entire international border (the cease-fire has held for more than one year). On November 11, 2004, the Indian prime minister announced that “an improvement in the security situation in the state” of Jammu and **Kashmir** spurred a decision to reduce Indian troop deployments there. Unofficial estimates predict that 6,000-25,000 troops—perhaps 5% of the total—are set to be moved in the first such announced draw-down since the violent Kashmiri separatist movement began in 1989. At the same time, PM Singh also noted awareness that “infiltration attempts

¹⁰ “Transcript: Interview With Pervez Musharraf,” CNN Late Edition, December 5, 2004.

¹¹ “Militant Wanted in Pearl Abduction Killed,” *New York Times*, November 17, 2004; David Rhode, “10 Killed in Bombing in Quetta, In Restive Province in Pakistan,” *New York Times*, December 11, 2004.

¹² “India Cautioned US Against Selling F-16s to Pakistan: Foreign Minister,” Agence France Presse, December 8, 2004; “Pranab Sticks to His Guns,” *Telegraph* (Calcutta), December 12, 2004. See also Paul Watson, “Potential Arms Sale Stirs Concern in South Asia,” *Los Angeles Times*, December 4, 2004.

from across the border and the LOC continue and the infrastructure of terrorism in the shape of training camps and launching bases [on Pakistani-controlled territory] remain intact.”¹³ One week after his statement, Prime Minister Singh visited the Jammu and Kashmir state for the first time while in office. While there, he presented a \$5.3 billion assistance plan, offered unconditional dialogue with any separatists who shun violence, and suggested that more troop reductions could come if the security situation there remains static. Shortly before the PM’s major speech and only 200 meters from the site, two heavily-armed militants were killed after a four-hour gunbattle with security forces.¹⁴ In December, India’s home minister told his Parliament that infiltration rates at the Kashmiri LOC were down 60% from last year.¹⁵ However, India-Pakistan talks on key confidence-building measures for Kashmir remain deadlocked; lethal separatist attacks on Indian security forces in Kashmir continue; and moderate figure Mirwaiz Umer Farooq reportedly said that efforts to reunite the split Hurriyat Conference of Kashmiri separatists had failed. He blamed hardliner Syed Ali Shah Geelani for the ongoing impasse.¹⁶

In **India’s northeastern states**, decades-old separatist movements continue. A 6,000-man military operation against separatist militants (Indian-designated terrorists) reportedly overran “scores” of militant camps in Manipur, although rebel leaders claimed to have blocked Indian army attacks on their bases near the Burmese border.¹⁷ Burmese leader Gen. Than Shwe, whose controversial trip to New Delhi provoked pro-democracy demonstrations there, has been credited with aiding India’s counterinsurgency efforts by attacking separatist camps on the Burmese side of the international border and, in December, India’s federal cabinet approved of an agreement with Burma to expand bilateral counterterrorism and law enforcement cooperation with Rangoon.¹⁸ With regard to **Maoist “Naxalites”** operating in India (the two largest organizations being U.S.-designated terrorist groups), no notable

¹³ A nearly identical statement about the terrorist infrastructure on Pakistani-controlled territory was made by U.S. Deputy Secretary of State Armitage during his July 2004 visit to New Delhi (“Statement of Prime Minister Dr. Manmohan Singh,” India Ministry of External Affairs Press Release, November 11, 2004; “U.S.-India Ties Remain Strong with Congress Party Government,” U.S. Department of State Washington File, July 14, 2004).

¹⁴ Paul Watson, “Indian Premier Offers to Talk With Separatists in Kashmir,” *Los Angeles Times*, November 18, 2004.

¹⁵ “Indian Home Minister Says Kashmir Infiltration Down By 60 Percent,” BBC Monitoring South Asia, December 7, 2004.

¹⁶ Iftikhar Gilani, “Srinagar-Muzaffarabad Bus Talks Hit Snag,” *Daily Times* (Lahore), December 8, 2004; “11 Militants, 3 Indian Soldiers Die in Attacks Across Kashmir,” *Los Angeles Times*, November 7, 2004; “Five Die in Kashmir Camp Attack,” BBC News, December 3, 2004; Firdous Tak and Paul Watson, “Indian Major Among Bomb Victims in Contested Kashmir,” *Los Angeles Times*, December 6, 2004; “Unity Efforts Have Failed: Mirwaiz,” *Hindu* (Madras), November 26, 2004.

¹⁷ “India ‘Overruns’ Separatist Camps,” BBC News, November 29, 2004; “Manipur Rebels ‘Check’ Soldiers,” BBC News, November 12, 2004.

¹⁸ Pranab Dhal Samanta, “Myanmar Begins Crackdown, Destroys N-E Insurgent Camps,” *Indian Express* (Bombay), November 29, 2004; “Indian Government Approves Security Cooperation With Burma,” BBC Monitoring South Asia, December 8, 2004.

attacks have occurred in recent months, but recruitment efforts by the movements are said to continue and, in November, key Indian opposition leader and former Deputy PM L.K. Advani criticized the New Delhi government for “ignoring internal security” and engaging in negotiations with Maoist terrorist groups.¹⁹

India-U.S. security cooperation appears set to further expand in 2005. Secretary of Defense Rumsfeld made a December visit to New Delhi, where he offered that, “The military-to-military and defense-to-defense relationship is a strong one and something that we intend to see is further knitted together as we go forward in the months and years ahead.” On November 10, the second meeting of the U.S.-India Cyber Security Forum ended in Washington with a vow to expand bilateral cooperation. The U.S. delegation was led by Under Secretary of State Bloomfield.²⁰

The 12th South Asian Association for Regional Cooperation (**SAARC**) summit convened in Islamabad produced an additional protocol to the SAARC Convention on the Suppression of Terrorism that strengthens it “by criminalizing the “provision, collection or acquisition of funds for the purpose of committing terrorist acts.”²¹

Former State Department Coordinator for Counterterrorism Cofer Black reportedly stated that he was concerned over “the potential utilization of **Bangladesh** as a platform for international terrorism” when visiting Dhaka in September 2004.²² Media reports in India increasingly are concerned that Bangladesh has the potential to become a “center of extremist Wahhabi-oriented terrorism.”²³ Harkat-ul-Jihad-al-Islami (HuJI) reportedly sent a letter to the Indian High Commission to Bangladesh in December 2004 threatening to kill the Indian cricket team if they entered Bangladesh. The team planned to play a series of test matches in Bangladesh in December including in the Chittagong region.²⁴ One source reported in September that the number of radical mosques and madrassas in the Chittagong Hill Tracts (CHT) region of Bangladesh had grown considerably and that HuJI continued to maintain several terrorist training camps in the CHT region.²⁵ Another source also linked the camps to Harkat and indicated that they receive funding from Islamic

¹⁹ K.M. Dayashankar, “Naxalites on Mass Recruitment Drive,” *Hindu* (Madras), October 21, 2004; “Center Ignoring Internal Security: Advani,” *Hindu* (Madras), November 5, 2004.

²⁰ “Statements Made by U.S. Secretary of Defense Donald Rumsfeld and Indian Defense Minister Pranab Mukherjee,” U.S. Department of Defense News Transcript, December 9, 2004; “U.S., India Launch New Phase of Cyber Security Cooperation,” U.S. Department of State Washington File, November 11, 2004.

²¹ 12th South Asian Association for Regional Cooperation Summit 2004, available at [<http://www.saarc-sec.org/main.php>].

²² Dan Morrison, “Terror on the Rise in Bangladesh,” *Newsday*, November 23, 2004.

²³ G. Parthasarathy, “In a Disturbed Neighborhood,” *Business Line* (The Hindu), September 24, 2004.

²⁴ “Terror Threat Delays Indian Tour Opener,” *The Daily Telegraph*, December 9, 2004.

²⁵ Anirban Roy, “Qaeda Fuels HuJI Run in Bangladesh,” *Hindustan Times*, December 9, 2004.

charities with ties to Al-Qaeda.²⁶ HuJI is thought to remain active in the area south from Chittagong to Cox's Bazar and the border with Burma. A report sourced to a former senior Indian intelligence official alleges that HuJI is training Burmese Rohingya, as well as small groups from Thailand, Cambodia, Indonesia and Brunei.²⁷

In December 2004, Prime Minister Sher Bahadur Deuba blamed the media for exaggerating news about terrorism in **Nepal**. Sixty six Maoists and ten government troops were killed in a clash in December 2004, bringing the total number killed in the conflict to 10,180.²⁸ Nepal's communists have also called on the Maoists to abandon violence. In **Sri Lanka**, the Liberation Tigers of Tamil Eelam (LTTE) threatened to resume hostilities unless the government returns to the negotiating table based on a plan for self-rule for Tamil areas.²⁹

Al Qaeda, the Taliban, and Pakistani Extremism³⁰

The Al Qaeda-Taliban Nexus

Among the central goals of Operation Enduring Freedom were the destruction of terrorist training camps and infrastructure within Afghanistan, the capture of Al Qaeda and Taliban leaders, and the cessation of terrorist activities in Afghanistan.³¹ Most, but not all, of these goals have been achieved. However, since the Taliban's ouster from power in Kabul and subsequent retreat to the rugged mountain region near the Afghanistan-Pakistan border, what the U.S. military calls its "remnant forces" have been able to regroup and to conduct "hit-and-run" attacks against U.S.-led coalition units, often in tandem with suspected Al Qaeda fugitives. These forces are then able to find haven on the Pakistani side of the border.³² Al Qaeda founder

²⁶ Dan Morrison, "Terror on the Rise in Bangladesh," *Newsday*, November 23, 2004.

²⁷ Shefali Rekhi, "Clerics' Call to Terror," *The Straits Times*, October 21, 2004.

²⁸ "Nepal's Communists Urge Maoists to Abandon Violence," Agence France Presse, November 21, 2004.

²⁹ Charles Starmer-Smith, "Tamil Demands Could Hit Sri Lanka's Tourist Boom," *The Daily Telegraph*, December 4, 2004.

³⁰ This section written by K. Alan Kronstadt, Analyst in Asian Affairs. See also CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy*, by Kenneth Katzman.

³¹ Al Qaeda members are most readily identified as being Arabs or other non-Afghans who primarily are fighting an international jihad; Taliban members are ethnic Pashtun Afghans and Pakistanis who primarily are fighting for Islamic rule in Kabul and/or Islamabad. Al Qaeda is designated as a Foreign Terrorist Organization under U.S. law; the Taliban are Specially-Designated Global Terrorists (see the U.S. Treasury Department's master list at [<http://www.ustreas.gov/offices/eotffc/ofac/sdn/index.html>]).

³² Director of Central Intelligence George Tenet, Testimony Before the Senate Select Intelligence Committee, February 24, 2004. Pakistan's western regions are populated by conservative ethnic Pashtuns who share intimate religious and tribal linkages with their
(continued...)

Osama bin Laden and his lieutenant, Egyptian Islamic radical leader Ayman al-Zawahiri, are believed to be in Pakistan's North West Frontier Province, an area roughly the size of Virginia.³³

The frequency of attacks on coalition forces in southern and eastern Afghanistan increased throughout 2003 and, in October of that year, U.S. Special Envoy and current Ambassador to Afghanistan Zalmay Khalilzad warned that resurgent Taliban and Al Qaeda forces presented a serious threat to Afghan reconstruction efforts. In the wake of spring 2004 military operations by Pakistan near the Afghan border, the Afghan foreign minister praised Pakistan for its role in fighting terrorism, but Afghan President Karzai expressed concern that militants trained on Pakistani territory continue to cross into Afghanistan to mount anti-government attacks there.³⁴ Afghan President Karzai paid a visit to Islamabad in August 2004, where President Musharraf reportedly assured him that Pakistan would not allow extremists to use Pakistani territory to disrupt upcoming Afghan elections. Just days before the October 8 Afghan elections, Islamabad announced having moved extra troops and "quick reaction forces" near the Afghan border to prevent militant infiltrations. Although the top U.S. general in Afghanistan had earlier expressed concerns that Al Qaeda operatives were actively encouraging militants to disrupt the elections, the successful and mostly peaceful elections led him to later declare that the Taliban were no longer a meaningful threat to Afghan stability.³⁵

Compounding the difficulty of battling regional extremists has been a major spike in Afghan opium production, spurring acute concerns that Afghanistan may soon become a "narco-state," and that terrorist groups and their supporters in both Afghanistan and Pakistan are reaping huge profits from the processing and trafficking

³² (...continued)

counterparts in Afghanistan and who are seen to sympathize with Taliban and sometimes Al Qaeda forces while holding vehement anti-Western and anti-American sentiments (see, for example, Eliza Griswold, "In the Hiding Zone," *New Yorker*, July 26, 2004).

³³ Pakistani officials say they have no evidence that bin Laden is hiding in the border region, but Secretary of State Powell, the top U.S. military commander in Afghanistan, and a member of the 9/11 Commission have issued separate suggestions that the Al Qaeda founder is in that area ("No Sign of Bin Laden in Border Region," Associated Press Newswires, October 20, 2004; Secretary Colin Powell, "Interview by Clarence Page of the Chicago Tribune," U.S. Department of State Washington File, October 14, 2004; Mike Collett-White, "Osama Probably Alive, in Pakistan, Top Officials Say," Reuters News, September 27, 2004; Jim Mohr, "Osama Hiding in Pakistan," *San Bernardino Sun*, October 21, 2004).

³⁴ Carlotta Gall, "Taliban May Be Planning Larger Attacks, U.S. Envoy Says," *New York Times*, October 7, 2003; Sayed Salahuddin, "Kabul Asks Pakistan to Do More on Terrorism," Reuters News, July 12, 2004.

³⁵ "Pakistan Will Not Allow Militants to Disrupt Afghan Polls," *News* (Karachi), August 24, 2004; "More Troops Moved to Western Border," *Daily Times* (Lahore), October 6, 2004; Carlotta Gall, "Al Qaeda Tries to Upset Afghan Vote," *New York Times*, September 26, 2004; "Coalition General Says Afghan Election Major Defeat for Taliban," U.S. Department of State Washington File, October 20, 2004.

of heroin.³⁶ A bumper opium crop in 2004 was two-thirds larger than the previous year's, with Afghan opium now said to comprise 87% of the world's supply. In 2003, the opium trade accounted for more than 60% of Afghanistan's gross domestic product. There is congressional concern that heroin trafficking has become the dominant source of funding for Al Qaeda.³⁷

The period of June-August 2004 saw significant developments in the fight against Al Qaeda-linked militants in Pakistan. On June 13, 2004, with clues taken from the scene of a terrorist attack on Karachi's top army general three days earlier, Pakistani agents arrested Masrab Arochi in Karachi. Arochi — a nephew of key alleged 9/11 plotter Khalid Sheik Mohammed and a cousin of Ramzi Yousef, who was sentenced to a life sentence in the United States for his role in the 1993 World Trade Center bombings — reportedly was quickly remanded to U.S. custody. Intelligence gained from him apparently led to the exposure of significant Al Qaeda networks and more captures of wanted fugitives. In July, Mohammed Naeem Noor Khan, said to be an important Al Qaeda computer expert who reportedly had made numerous trips to Pakistan's western tribal areas, was arrested in Lahore. Two weeks later, after a 14-hour gunbattle in the northeastern city of Gujrat, Pakistani security forces arrested 13 others suspected of ties to Al Qaeda, including four foreigners. One of those captured turned out to be Ahmed Khalfan Ghailani, a Tanzanian national who had appeared on the FBI's most-wanted list after his indictment for murder in connection with the 1998 Al Qaeda bombings of two American Embassies in East Africa. Information taken from the computers of Khan and Ghailani triggered the breakup of an apparent Al Qaeda cell by British police, and also spurred the raising of the terrorist alert level in the United States. Further, police in the United Arab Emirates captured "senior Al Qaeda operative" Qari Saifullah Akhtar in Dubai in early August. Akhtar is alleged to have run a terrorist training camp in Afghanistan until October 2001.

Pakistan's interior minister said that security agencies had captured 12 foreign and 51 Pakistani "terrorists" between mid-July and mid-August 2004. As many as ten of these were suspected Al Qaeda members whom the Pakistani government said were planning attacks on Pakistan government and Western targets, including the U.S. Embassy, to coincide with Pakistani Independence Day.³⁸ In mid-August, Pakistan published pictures of six "most-wanted terrorists" along with offers of major

³⁶ A. Brownfeld, "Al Qaeda's Drug-Running Network," *Jane's Terrorism and Security Monitor*, February 1, 2004; Stephen Graham, "Karzai Seeks Anti-Drugs Aid Amid Fears Afghanistan Will Become 'Narco-State,'" Associated Press Newswire, February 9, 2004; Hugh Williamson and Victoria Burnett, "Afghan Militants Linked to Drugs Trade," *Financial Times* (London), April 2, 2004.

³⁷ See CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by Christopher Blanchard.

³⁸ Munir Ahmad, "Monthlong Anti-Terror Raids in Pakistan Net 63 Terror Suspects," Associated Press Newswires, August 16, 2004; "Pakistan Arrests Al Qaeda Suspects," *Washington Post*, August 22, 2004.

monetary rewards for information leading to their capture.³⁹ In September, Pakistan reported having killed one of these fugitives, suspected top Al Qaeda operative Amjad Farooqi — a Pakistani national wanted for involvement in the 2002 kidnapping and murder of reporter Daniel Pearl and two December 2003 attempts to assassinate President Musharraf — and two other militants after a 4-hour gunbattle in the southern city of Nawabshah. Farooqi was described as having been the chief Al Qaeda contact in Pakistan and a longtime associate of Khalid Sheik Mohammed.⁴⁰ Within days, Pakistan said 11 more militants had been captured, including members of Jaish-e-Mohammed wanted in connection with a May 2002 car bombing in Karachi that killed 11 French military technicians. Pakistan's interior minister declared that the arrests had "broken the back of Al Qaeda in Pakistan," a claim identical to that made by another Pakistani official two years earlier. Pakistan reportedly is prioritizing the capture of Libyan national Abu Faraj al-Liby, another key figure in past attempts on Musharraf's life who may be directing Al Qaeda's operations from Pakistan's western tribal areas.⁴¹ Pakistan has continued to arrest numerous other suspected Al Qaeda figures. In late-September, Deputy Secretary of State Armitage called the activities of Pakistani security forces "very noteworthy" and "extraordinarily appreciated."⁴²

Developments in the summer of 2004 marked major strides in Pakistani and multilateral efforts to eradicate Al Qaeda and other Islamic extremist groups in the region, however, the United States remains concerned by past indications of links between Al Qaeda and Pakistani intelligence agents, weapons experts, and militant leaders. There also have been reports that Pakistan allows Taliban militants to train in Pakistan for combat in Afghanistan and that Al Qaeda camps near the Afghan

³⁹ Five of the suspects were Pakistani and one a Libyan. A reward of 20 million rupees (about \$340,000) each was offered for information leading to the arrest of Amjad Hussain Farooqi and Libyan Abu Faraj, both wanted in connection with attempts to assassinate President Musharraf in December 2003 ("Pakistan Publishes 'Most-Wanted Terrorists' List," Reuters News, August 18, 2004).

⁴⁰ Farooqi also was identified as a member of the Lashkar-i-Janghvi terrorist group and one of the hijackers of an Indian passenger jet in 1999 (Kamran Khan, "Pakistani Forces Kill Top Fugitive," *Washington Post*, September 27, 2004).

⁴¹ "Pakistan Holds Al Qaeda Suspects," BBC News, September 29, 2004; Munir Ahmad, "Pakistan Official: Authorities Have 'Broken the Back' of Al Qaeda by Killing Top Terror Suspect," Associated Press Newswires, September 29, 2004; Shamim-ur-Rahman, "422 Osama Men Handed Over to US," *Dawn* (Karachi), September 23, 2002; Tim McGirk and Elaine Shannon, "A New Manhunt in Pakistan," *Time*, August 30, 2004; M. Ansari, "Al Qaeda's New Operational Head," *Jane's Islamic Affairs Analyst*, October 1, 2004.

⁴² Paul Haven, "Arrests Damage Al Qaeda Network," Associated Press, August 7, 2004; Mike Collet-White and Amir Zia, "Pakistan Crack Down on Militants," Reuters News, August 8, 2004; Kamran Khan, "Al Qaeda Arrest in June Opened Valuable Leads," *Washington Post*, August 3, 2004; "Pakistanis Tell of More Arrests," *New York Times*, August 4, 2004; "State's Armitage Calls for Syrian Troops Withdrawal From Lebanon," "U.S. Hails Pakistan's Efforts to Fight Terror, Build Democracy," U.S. Department of State Washington File, October 1, 2004. The United States was criticized by intelligence experts for releasing Khan's name to the press even as Khan was said to be covertly cooperating with investigators (Peter Graff, "Unmasking of Qaeda Mole a Security Blunder - Experts," Reuters News, August 7, 2004).

Pakistani border remain active.⁴³ Signs of collusion between some elements of Al Qaeda, Lashkar-e-Taiba, and influential Pakistanis fuel skepticism among those who doubt the sincerity of Pakistan's commitment to moderation. For example, of the three major Al Qaeda figures captured in Pakistan, one (Abu Zubaydah) was found at a Lashkar-e-Taiba safehouse in Faisalabad, suggesting that some LeT members have facilitated the movement of Al Qaeda members in Pakistan.⁴⁴ Another (Khalid Sheikh Mohammed) was seized at the Rawalpindi home of a member of the Jamaat-i-Islami (JI), one of Pakistan's leading religious Islamist political parties. In fact, at least four top captured Al Qaeda suspects had ties to JI. In August 2004, Pakistan's interior minister asked the JI leadership to explain why several important Al Qaeda fugitives were captured in the homes of party workers, and a leader of the ruling PML party acknowledged that terrorists were linked to "individual" JI leaders. JI chief Qazi Hussain Ahmed responded by denying that the party had any ties to Al Qaeda. When asked about the issue, President Musharraf expressed "the greatest disappointment ... that there are some political elements" in Pakistan that "keep on instigating" foreign terrorists. He denied implicating any specific religious parties as a whole while conceding that individual terrorist suspects have been JI members.⁴⁵

During the time that Islamabad was actively supporting the Afghan Taliban regime it had helped to create, Pakistan's powerful Inter-Services Intelligence (ISI) agency is believed to have had direct contacts with Al Qaeda figures.⁴⁶ Sympathetic ISI officials may even have provided shelter to Al Qaeda members in both Pakistan and Kashmir.⁴⁷ Two senior Pakistani nuclear scientists reportedly met with Osama bin Laden in 2001 to conduct "long discussions about nuclear, chemical and biological weapons."⁴⁸ Moreover, known Islamic extremists with ties to Al Qaeda appear to have remained active on Pakistani territory. For example, longtime

⁴³ Carlotta Gall, "Pakistan Allows Taliban to Train, a Detained Fighter Says," *New York Times*, August 4, 2004; "Intelligence Indicates Activity at Al Qaeda Camps," CNN.com, August 5, 2004.

⁴⁴ U.S. Department of State, *Patterns of Global Terrorism 2002*, April 30, 2003.

⁴⁵ "Pakistan Asked to Explain Islamic Party Link to Al Qaeda Suspects," Agence France-Presse, March 3, 2003; Muhammad Anis, "Faisal Asks JI to Explain Activists' Al Qaeda Links," *Dawn* (Karachi), August 17, 2004; "Terrorists Have Individual Links With Some JI Leaders: Shujaat," *Daily Times* (Lahore), August 18, 2004; "No Links With Al Qaeda: Qazi," *Daily Times* (Lahore), August 18, 2004; "Pakistan President Gives TV Interview on Security, India Ties, Iraq Troops," BBC Monitoring South Asia, August 17, 2004.

⁴⁶ James Risen and Judith Miller, "Pakistani Intelligence Had Links to Al Qaeda, U.S. Officials Say," *New York Times*, October 29, 2001. Declassified U.S. Defense Intelligence Agency documents from October 2001 indicate that the Al Qaeda camp targeted by American cruise missiles in 1998 was funded and maintained by the ISI, and that Pakistani agents "encouraged, facilitated and often escorted Arabs from the Middle East into Afghanistan" (National Security Archive Electronic Briefing Book 97, available at [<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB97/index.htm>]).

⁴⁷ Bob Drogin, et. al., "Al Qaeda Gathering Strength in Pakistan," *Los Angeles Times*, June 16, 2002; Philip Smucker, "Al Qaeda Thriving in Kashmir," *Christian Science Monitor*, July 2, 2002.

⁴⁸ Kamran Khan and Molly Moore, "2 Nuclear Experts Briefed Bin Laden, Pakistanis Say," *Washington Post*, December 12, 2001.

Pakistani terrorist chief Fazlur Rehman Khalil, who co-signed Osama bin Laden's 1998 edict declaring it a Muslim's duty to kill Americans and Jews, lived openly in Rawalpindi, not far from Pakistan's Army General Headquarters, until his arrest in August 2004.⁴⁹ Khalil is the leader of Harakat ul-Mujahideen, one of the many Pakistan-based terrorist groups opposed to both the continued rule of President Musharraf and to U.S. policy in the region.

Indigenous Pakistani Terrorist Groups

Pakistan is known to be a base for numerous indigenous terrorist organizations. Many analysts locate the genesis of this now serious problem in the Islamization process initiated by Z.A. Bhutto after 1971 and greatly accelerated by Gen. Zia-ul-Haq in the 1980s. Some also hold the United States complicit, given its overt support for Zia, an authoritarian military leader who represented a "frontline ally" against Soviet expansionism. Zia sought greater domestic political legitimacy in part by strengthening the country's conservative religious elements which would later play a major role in Pakistan's Afghan and Kashmir policies.⁵⁰ In January 2002, Pakistan banned five extremist groups, including Lashkar-e-Taiba (LeT), Jaish-e-Mohammed (JeM), and Sipah-e-Sahaba Pakistan (SSP). The United States designates LeT and JeM as Foreign Terrorist Organizations (FTOs); SSP appears on the State Department's list of "other terrorist groups."⁵¹ Following Al Qaeda's 2001-2002 expulsion from Afghanistan and ensuing relocation of some core elements to Pakistani cities such as Karachi and Peshawar, some Al Qaeda activists are known to have joined forces with indigenous Pakistani Sunni militant groups, including LeT, JeM, SSP, and Lashkar-i-Jhangvi (LJ), an FTO-designated offshoot of the SSP that

⁴⁹ Paul Watson and Mubashir Zaidi, "Militant Flourishes in Plain Sight," *Los Angeles Times*, January 25, 2004; Mike Collet-White and Amir Zia, "Pakistan Crack Down on Militants," Reuters News, August 8, 2004.

⁵⁰ See Stephen Cohen, "The Jihadist Threat to Pakistan," *Washington Quarterly* 26, 3 (Summer 2003), p.15, and Dennis Kux, *The United States and Pakistan 1947-2000: Disenchanted Allies* (Washington: Woodrow Wilson Center Press, 2001), p. 240-241. Pakistani leaders continued to manipulate radical Islamic groups during the 1990s as part of a strategy to "fuel the jihad in Kashmir and Afghanistan" (Ashley Tellis, "U.S. Strategy: Assisting Pakistan's Transformation," *Washington Quarterly* 28, 1 (Winter 2004-05), p.106). The issue of past U.S. complicity in the radicalization of Pakistan's religious politics has been raised with the author by Pakistani government officials and scholars.

⁵¹ See CRS Report RL32223, *Foreign Terrorist Organizations*, and CRS Report RL32120, *The 'FTO List' and Congress*, both by Audrey Kurth Cronin. LeT appears to be expanding its jihadi efforts well beyond their Kashmiri origins to places such as Iraq, Indonesia, and Australia ("Pakistani Militants Arrested in Iraq," Agence France Presse, April 1, 2004; E. Blanche, "Lashkar-e-Taiba Spreads Its Tentacles," *Jane's Terrorism & Security Monitor*, September 1, 2004).

has close ties to Al Qaeda.⁵² The United Nations lists JeM and LJ as “entities belonging to or associated with the Taliban and Al Qaeda organization.”⁵³

With the post-9/11 capture of numerous Arab Al Qaeda leaders (many of them in Pakistani cities), there are indications that a new wave of ringleaders is made up of Pakistani nationals.⁵⁴ Al Qaeda reportedly was linked to anti-U.S. and anti-Western terrorist attacks in Pakistan during 2002, although the primary suspects in most attacks were members of indigenous Pakistani groups.⁵⁵ During 2003, Pakistan’s domestic terrorism mostly involved Sunni-Shia conflict; sectarian violence has plagued Pakistan for decades.⁵⁶ Some analysts believe that, by redirecting Pakistan’s internal security resources, an increase in such violence may ease pressure on Al Qaeda and so allow that group to operate more freely there.⁵⁷ After major October 2004 bomb attacks on Shia and Sunni targets killed at least 74 people, and unidentified gunmen killed two prominent Sunni clerics, concerns about Pakistan’s sectarian violence again came to the fore.⁵⁸

⁵² U.S. Department of State, *Patterns of Global Terrorism 2002*, April 30, 2003; Howard French, “Officials Warn of Links Between Al Qaeda, Pakistanis,” *New York Times*, May 29, 2002; Hasan Mansoor, “Karachi Killings Reveal Sectarian-Jihadi Nexus,” *Friday Times* (Lahore), October 10, 2003; Kamran Khan and John Lancaster, “Suspect Predicts Attack on U.S. Forces,” *Washington Post*, March 7, 2003.

⁵³ See [<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>].

⁵⁴ Victoria Burnett, “Pakistan Cites Growing Extremist Network,” *Boston Globe*, September 11, 2004; Owais Tohid, “Next Wave of Al Qaeda Leadership,” *Christian Science Monitor*, October 5, 2004.

⁵⁵ Among these incidents was the January 2002 kidnaping and ensuing murder of *Wall Street Journal* reporter Daniel Pearl. Also occurring in 2002 were a March grenade attack on a Protestant church in Islamabad that killed five, including a U.S. Embassy employee and her daughter, likely was the work of LeT; a May car bombing that killed 14 outside a Karachi hotel, including 11 French defense technicians, was linked to Al Qaeda; and a June car bombing outside the U.S. consulate in Karachi that killed 12 Pakistani nationals also was linked to Al Qaeda. There have been arrests and some convictions in each of these cases. See U.S. Department of State, *Patterns of Global Terrorism 2002*, April 30, 2003.

⁵⁶ About three-quarters of Pakistan’s Muslims are Sunnis. Major sectarian violence in 2003 included a July strike on a Quetta mosque that killed more than 50 Shiite worshipers (blamed on the militant Sunni SSP), and the October assassination of Maulana Azam Tariq, leader of the SSP and member of the Pakistani parliament, who was gunned down with four others in Islamabad. A March 2004 machine gun and bomb attack on a Shia procession in Quetta killed at least 44 and injured more than 150 others. A pair of bombings in early October 2004 left at least 72 people dead in the cities of Sialkot and Multan. Pakistan’s interior minister has reported that 155 people were killed and 651 injured in 231 incidents of sectarian violence in Pakistan from 2001-2003 (“155 Killed in 231 Sectarian Clashes,” *Dawn* (Karachi), December 3, 2004).

⁵⁷ “Pakistan: A New Wave of Sunni-Shiite Violence?,” Stratfor.com, October 7, 2003.

⁵⁸ The United States has for six consecutive years singled out Pakistan for “state hostility toward minority or non-approved religions,” indicating that the Pakistani government continues to impose limits on freedom of religion, to fail in many respects to protect the rights of religious minorities, and to fail at times to intervene in cases of sectarian violence.

(continued...)

In a landmark January 2002 speech, President Musharraf vowed to end Pakistan's use as a base for terrorism, and he criticized religious extremism and intolerance in the country. In the wake of the speech, about 3,300 extremists were detained, though most of these have since been released (including one man who later tried to assassinate Musharraf).⁵⁹ Among those released were the founders of both Lashkar-e-Taiba and Jaish-e-Muhammad. Although officially banned, these groups continued to operate under new names: LeT became Jamaat al-Dawat; JeM became Khudam-ul Islam.⁶⁰ In November 2003, just two days after the U.S. Ambassador expressed particular concern over the continuing activities of banned organizations, Musharraf moved to arrest members of these groups and shutter their offices. Six groups were formally banned, including offshoots of both the JeM and SSP, and more than 100 offices were raided. Musharraf vowed to permanently prevent banned groups from resurfacing, and his government moved to seize their financial assets.⁶¹ Some analysts called the efforts cosmetic, ineffective, and the result of external pressure rather than a genuine recognition of the threat posed.⁶²

Musharraf's further efforts to crack down on outlawed groups — along with his suggestions that Pakistan may soften its long-held Kashmir policies — may have fueled even greater outrage among radical Islamists already angered by Pakistan's

⁵⁸ (...continued)

President Musharraf rejects the claims as "absolutely incorrect" and "contrary to the real situation" in Pakistan (U.S. State Department, *International Religious Freedom Report 2004* at [<http://www.state.gov/g/drl/rls/irf/2004/35519.htm>]; "Pakistan President Rejects US Report on Human Rights," BBC Monitoring South Asia, September 29, 2004).

⁵⁹ Paul Watson, "A Delicate Balance of Rule for Pakistan's Musharraf," *Los Angeles Times*, March 5, 2004.

⁶⁰ Paul Watson, "Revolving Doors for Pakistan's Militants," *Los Angeles Times*, November 17, 2002; "Musharraf Says Heads of Two Extremist Groups Did Nothing Illegal," Agence France-Presse, March 2, 2003; "Militant Suspects Freed in Pakistan," BBC News, January 31, 2003.

⁶¹ "U.S. Committed to Strong Relationship With Pakistan," U.S. Department of State Washington File, November 13, 2003; "Owais Tohid, "Pakistan Tries Again to Shutter Terror Groups," *Christian Science Monitor*, November 26, 2003; Rafaqat Ali, "Musharraf Vows to Root Out Extremism," *Dawn* (Karachi), December 5, 2003; "Pakistan Freezes Accounts of Three More Banned Islamic Groups," Associated Press Newswire, December 12, 2003. The United States had signaled increased pressure on Islamabad in October 2003 when the Treasury Department designated the Pakistan-based Al Akhtar Trust as a terrorist support organization under Executive Order 13224. Al Akhtar was said to be carrying on support for Al Qaeda and Taliban terrorist activities funded by the previously-designated Al Rashid Trust. The United States also that month identified Indian crime figure Dawood Ibrahim as a "global terrorist" with links to both Al Qaeda and Lashkar-e-Taiba. Ibrahim, wanted by the Indian government for 1993 Bombay bombings that killed and injured thousands, is believed to be in Pakistan. These moves by the U.S. government were welcomed in New Delhi, where officials continuously are urging greater U.S. attention to anti-India terrorism emanating from Pakistan ("U.S. Designates Al Akhtar," U.S. Treasury Department Press Release, October 14, 2003; "U.S. Designates Dawood Ibrahim," U.S. Treasury Department Press Release, October 16, 2003).

⁶² Husain Haqqani, "Skepticism Over Crackdown," *Nation* (Lahore), November 19, 2003; Najam Sethi, "Writing On the Wall," *Friday Times* (Lahore), November 21, 2003.

September 2001 policy reversal, when Musharraf cut ties with the Afghan Taliban regime and began facilitating U.S.-led anti-terrorism operations in the region.⁶³ A December 14, 2003 remote-controlled bombing attempt on Musharraf's motorcade and dual suicide car bomb attacks on his convoy 11 days later were blamed mainly on Jaish-e-Mohammed operatives. Numerous Pakistanis and foreign nationals — including Afghans, Chechens, and Kashmiris — were arrested in connection with the attacks, with officials suggesting a possible Al Qaeda link.⁶⁴ The F.B.I. played a role in the investigations, and the United States has undertaken to provide improved training to Musharraf's bodyguards. Nonetheless, it is considered likely that future assassination attempts on Musharraf will occur.⁶⁵ In the summer of 2004, Al Qaeda-linked extremists made attempts to kill other top Pakistani officials.⁶⁶ Low-level Pakistani security officers and soldiers allegedly were involved in these attacks, heightening concerns that the government of President Musharraf is finding it difficult to control domestic extremism, especially among some elements of Pakistan's security apparatus.⁶⁷ As more evidence arises exposing Al Qaeda's deadly new alliance with indigenous Pakistani militants — and military operations continue to cause death and disruption in Pakistan's western regions — concern about Pakistan's fundamental political and social stability has increased.⁶⁸

⁶³ Bryan Bender and Farah Stockman, "Extremist Influence Growing in Pakistan, US Officials Fear," *Boston Globe*, January 11, 2004.

⁶⁴ Salman Masood, "Link to Qaeda Cited in Effort to Assassinate Pakistan Chief," *New York Times*, March 16, 2004. Some also suggest a possible ISI role, noting a long history of ties between Pakistan's intelligence service and JeM leader Masood Azhar (John Lancaster and Kamran Khan, "Investigation of Attacks on Musharraf Points to Pakistani Group," *Washington Post*, January 14, 2004). In March 2004, an audio tape believed to have been made by Al Qaeda leader Ayman al-Zawahri urged "every Muslim in Pakistan" to overthrow the Musharraf regime for its "surrender to the Americans" ("Uncover the Truth of Musharraf, the Traitor and the Killer of Muslims," *Outlook India* (Delhi), March 27, 2004).

⁶⁵ Mubashir Zaidi, "FBI Joins Inquiry Into Blasts Aimed at Pakistani Leader," *Los Angeles Times*, December 27, 2003; Dana Priest, "U.S. Aids Security of Musharraf," *Washington Post*, January 3, 2004; Mazhar Abbas, "Agencies Fear More Suicide Attempts on Musharraf," *Friday Times* (Lahore), February 13, 2004.

⁶⁶ In June, militants attacked the motorcade of a top Pakistan Army commander in Karachi, killing ten, but leaving the general unharmed. In July, a suicide bomber murdered eight people next to the parked car of Pakistan's Prime Minister-designate, Shaukat Aziz, who also managed to escape without injuries.

⁶⁷ Salman Masood, "A Top Pakistani General Escapes Assassination Attempt that Kills Ten People," *New York Times*, June 11, 2004; "Al Qaeda Group Claims Bombing," *Los Angeles Times*, August 1, 2004; "Junior Officers Tried to Kill Me: Musharraf," *Daily Times* (Lahore), May 27, 2004.

⁶⁸ John Lancaster and Kamran Khan, "Pakistan Losing Grip on Extremists," *Washington Post*, August 29, 2004; "Pakistan Sliding Towards Lawlessness: Human Rights Body," Press Trust of India, August 30, 2004; Mazhar Abbas, "Terrorist Attacks Leave Government Helpless," *Friday Times* (Lahore), October 15, 2004.

Madrassas and Pakistan Islamists

The Taliban movement itself began among students attending Pakistani religious schools (madrassas). Among the 10,000-20,000 or more madrassas training up to two million children in Pakistan are a small percentage that have been implicated in teaching militant anti-Western, anti-American, anti-Hindu, and even anti-Shia values. Secretary of State Powell identified these as “programs that do nothing but prepare youngsters to be fundamentalists and to be terrorists.”⁶⁹ Many of these madrassas are financed and operated by Pakistani Islamist political parties such as Jamaat-e-Ulema Islam (JUI, closely linked to the Taliban), as well as by multiple unknown foreign entities, many in Saudi Arabia.⁷⁰ As many as two-thirds of Pakistan’s seminaries are run by the Deobandi sect, known in part for a traditionally anti-Shia sentiment and at times linked to the Sipah-e-Sahaba terrorist group.⁷¹ Some senior members of JUI reportedly have been linked to several U.S.-designated Foreign Terrorist Organizations.⁷² The JUI chief, Fazlur Rehman, is a vocal critic of Pakistan’s cooperation with the United States. In May 2004, he was named Leader of the Opposition in Pakistan’s Parliament. In September 2004, Musharraf reportedly assured an audience of leading Pakistani religious seminarians that his government would not interfere in the affairs of madrassas and was under no foreign pressure to do so. He did, however, acknowledge that a small number of seminaries are “harboring terrorists” and he asked religious leaders to help isolate these by openly condemning them.⁷³

Since 2002, the U.S. Congress has allocated tens of millions of dollars to assist Pakistan in efforts to reform its education system, including changes that would make madrassa curriculum closer in substance to that provided in non-religious schools. The *9/11 Commission Report* recommends U.S. support for better Pakistani education and legislation in the 108th Congress (S. 2845), calls for the devotion of

⁶⁹ “House Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs Holds Hearing on FY2005 Appropriations,” FDCH Transcripts, March 10, 2004. See also CRS Report RS21654, *Islamic Religious Schools, Madrasas*, by Christopher M. Blanchard.

⁷⁰ In June 2004, the Co-Director of the Independent Task Force on Terrorism Financing told a Senate panel that, “Saudi financing is contributing to the radicalization of millions of Muslims” in places such as Pakistan and, “Foreign funding for extremist madrassas in Pakistan alone ... is estimated to be in the tens of millions, much of it historically from Saudi Arabia” (Testimony of Lee Wolosky Before the Senate Governmental Affairs Committee, “An Assessment of Current Efforts to Combat Terrorism Financing,” June 15, 2004). See also CRS Report RL32499, *Saudi Arabia: Terrorist Financing Issues*, by Alfred Prados and Christopher Blanchard.

⁷¹ Khaled Ahmed, “Our Madrassas and Our World View,” *Friday Times* (Lahore), March 7, 2003.

⁷² Praveen Swami, “A Peacemaker From Pakistan,” *Frontline* (Madras), August 15, 2003.

⁷³ “No Interference in the Affairs of Madrassas,” *Dawn* (Karachi), September 8, 2004; “Some Madrassas Bad: Musharraf,” *Daily Times* (Lahore), September 8, 2004.

increased U.S. government attention and resources to this issue.⁷⁴ While President Musharraf has in the past pledged to crack down on the more extremist madrassas in his country, there is little concrete evidence that he has done so. According to two observers, “most madrassas remain unregistered, their finances unregulated, and the government has yet to remove the jihadist and sectarian content of their curricula.”⁷⁵ Many speculate that Musharraf’s reluctance to enforce reform efforts is rooted in his desire to remain on good terms with Pakistan’s Islamist political parties, which are seen to be an important part of his political base.⁷⁶

The Muttahida Majlis-e-Amal (MMA) — a coalition of six Islamist opposition parties — holds about 20% of Pakistan’s National Assembly seats, while also controlling the provincial assembly in the North West Frontier Province (NWFP) and leading a coalition in the provincial assembly of Baluchistan. Pakistan’s Islamists denounce Pakistani military operations in western tribal areas, resist governmental attempts to reform religious schools that teach militancy, and harshly criticize Islamabad’s cooperation with the U.S. government and movement toward rapprochement with India. The leadership of the MMA’s two main constituents — the Jamaat-i-Islami and the Jamiat-Ulema-Islami-Fazlur — are notable for their rancorous anti-American rhetoric; they have at times called for “jihad” against what they view as the grave threat to Pakistani sovereignty that alliance with Washington entails.⁷⁷ In addition to decrying and seeking to end President Musharraf’s cooperation with the United States, many also are viewed as opposing the U.S.-supported Kabul government. In September 2003, Afghan President Karzai called on Pakistani clerics to stop supporting Taliban members who seek to destabilize Afghanistan. Two months later, the Afghan foreign minister complained that Taliban leaders were operating openly in Quetta and other cities in western Pakistan. In the wake of a March 2004 battle between the Pakistan Army and Islamic militants in the traditionally autonomous western Federally Administered Tribal Areas (FATA), Pakistan’s interior minister accused MMA politicians of giving a “free hand” to terrorists. Musharraf repeatedly has called on Pakistan’s Muslim clerics to assist in

⁷⁴ In August 2004, 9/11 Commission Co-Chair Lee Hamilton told a House panel that the current five-year, \$100 million USAID program for Pakistan education reform was a “drop in the bucket” (“House International Relations Committee Holds Hearing on September 11 Commission Report,” FDCH Transcripts, August 24, 2004).

⁷⁵ Samina Ahmed and John Norton, “A ‘Moderation’ of Freedom,” *Washington Post*, June 15, 2004. See also “Pakistan: Reforming the Education Sector,” International Crisis Group Report 84, October 7, 2004. Author interviews with Pakistani government officials and scholars in Islamabad in January 2004 tended to confirm that movement on madrasa reform is slow, at best.

⁷⁶ John Lancaster and Kamran Khan, “At an Islamic School, Hints of Extremist Ties,” *Washington Post*, June 13, 2004; Vali Nasr, “Military Rule, Islamism, and Democracy in Pakistan,” *Middle East Journal* 58, 2, Spring 2004.

⁷⁷ See “US Trying to Destabilize Pakistan, Iran: MMA,” *Dawn* (Karachi), November 4, 2003; “MMA Says Check on Seminaries to be Resisted,” *Dawn* (Karachi), November 11, 2003. JUI leader Maulana Fazlur Rehman reportedly said he considers Americans to be “criminals” and the Taliban “innocent” (“MMA Opposes Pak-US Military Drive,” *News* (Karachi), June 24, 2003).

fighting extremism and improving Pakistan's image as a moderate and progressive state.⁷⁸

Pakistan-U.S. Counterterrorism Cooperation⁷⁹

According to the U.S. Departments of State and Defense, Pakistan has afforded the United States unprecedented levels of cooperation by allowing the U.S. military to use bases within the country, helping to identify and detain extremists, and deploying tens of thousands of its own security forces to secure the Pakistan-Afghanistan border. A revived high-level U.S.-Pakistan Defense Consultative Group (DCG) — moribund since 1997 — met in September 2002 for high-level discussions on military cooperation, security assistance, and anti-terrorism. A September 2003 meeting set a schedule for joint military exercises and training, discussed how the U.S. military can assist Pakistan in improving its counterterrorism capabilities, and included a U.S. vow to expedite future security assistance. Pakistan was designated as a Major Non-NATO Ally of the United States in June 2004, and top U.S. officials regularly praise Pakistan's anti-terrorism efforts.⁸⁰ The State Department indicates that Islamabad has captured 550 alleged terrorists and their supporters, and has transferred more than 400 of these to U.S. custody, including several top suspected Al Qaeda leaders.⁸¹ Pakistan also has been ranked third in the world in seizing terrorists' financial assets.⁸²

In late August 2004, the U.S. Assistant Secretary of State for Political-Military Affairs, Lincoln Bloomfield, made a two-day visit to Islamabad, where he met with Pakistani officials to discuss international security and bilateral cooperation. Days later, State Department Coordinator for Counterterrorism Cofer Black was in

⁷⁸ "Karzai Tells Pakistan Clerics - Don't Back Taliban," Reuters News, September 12, 2003; Shaun Waterman and Anwar Iqbal, "Taliban Leaders Plotting in Cities," *Washington Times*, November 14, 2003; "MMA Accused of Patronizing Terrorists," *Dawn* (Karachi), April 1, 2004; Rana Qaisar, "Clerics Asked to Help Fight Terror," *Daily Times* (Lahore), February 18, 2004.

⁷⁹ This section written by K. Alan Kronstadt, Analyst in Asian Affairs. See also CRS Report RL31624, *Pakistan-U.S. Anti-Terrorism Cooperation*, by K. Alan Kronstadt.

⁸⁰ Ally designation was made on June 16, 2004, by President Bush under Section 517 of the Foreign Assistance Act of 1961, as amended. In January 2004, the Commander of the U.S. Central Command, Gen. Abizaid, said, "Pakistan has done more for the United States in the direct fight against Al Qaeda than any other country" (Ron Laurenzo, "Abizaid: Pakistan Best Ally in War on Terror," *Defense Week*, February 2, 2004).

⁸¹ Among those captured are Abu Zubaydah (March 2002), believed to be Al Qaeda's field commander; Ramzi bin al-Shibh (September 2002), said to be a key figure in the planning of the September 2001 terrorist attacks on the United States; Khalid Sheik Mohammed (March 2003), alleged mastermind of the September 2001 attacks and close associate of Osama bin Laden; and Ahmed Khalfan Ghailani (July 2004), a Tanzanian national who had appeared on the FBI's most-wanted list after his indictment for murder in connection with the 1998 Al Qaeda bombings of two American Embassies in East Africa.

⁸² U.S. Department of State, *Patterns of Global Terrorism 2002*, April 30, 2003.

Pakistan for a meeting of the U.S.-Pakistan Joint Working Group on Counterterrorism and Law Enforcement, the first since April 2003. In September, President Bush met with President Musharraf in New York, where the two leaders reaffirmed their commitment to broaden and deepen the U.S.-Pakistan relationship, and Musharraf also visited Washington to inaugurate a new Congressional Pakistan Caucus comprised of 54 U.S. Representatives. In December 2004, Musharraf made a brief stopover in Washington, where President Bush praised the Pakistani leader for working to combat terrorism, saying that the Pakistani army “has been incredibly active and very brave in southern Waziristan.”⁸³

Obstacles

Many experts aver that, beginning with the policies of President Gen. Zia in the early 1980s, Islamabad’s leaders have for decades supported and manipulated Islamic extremism as a means of forwarding their perceived strategic interests in the region. Thus, despite Pakistan’s “crucial” cooperation, there continue to be doubts about Islamabad’s full commitment to core U.S. concerns in the vast “lawless zones” of the Afghan-Pakistani border region where Islamic extremists find shelter.⁸⁴ Until September 2001, Islamabad’s was one of only three world governments to recognize the Afghan Taliban regime, and Pakistan had been providing material support to the Taliban movement throughout the 1990s. Especially worrisome are indications that members of the Taliban continue to receive logistical and other support inside Pakistan. Senior U.S. Senators reportedly have voiced such worries, including concern that elements of Pakistan’s intelligence agencies might be helping members of the Taliban and other Islamic militants.⁸⁵ In August 2003, at least three Pakistani army officers, including two colonels, were arrested on suspicion of having ties to Al Qaeda. Soon after, Deputy Secretary of State Armitage was quoted as saying he does “not think that affection for working with us extends up and down the rank and file of the Pakistani security community.”⁸⁶

In October 2003 testimony before the Senate Foreign Relations Committee, Assistant Secretary of Defense Peter Rodman said, “There are elements in the Pakistani government who we suspect are sympathetic to the old policy of before 9/11,” adding that there still existed in northwestern Pakistan a radical Islamic infrastructure that “spews out fighters that go into Kashmir as well as into Afghanistan.” In July 2004, a senior Pakistan expert told the same Senate panel that,

⁸³ “President and President Musharraf Discuss International Relations, Commerce,” White House Press Release, December 4, 2004.

⁸⁴ Statement of George Tenet Before the Senate Select Committee on Intelligence, “Worldwide Threats to National Security,” February 6, 2002.

⁸⁵ James Dao, “Terror Aid From Pakistan Concerns Senators,” *New York Times*, February 13, 2003. See also Testimony of Timothy Hoyt Before the Joint Hearing of the Subcommittees on Asia and the Pacific and International Terrorism, Nonproliferation, and Human Rights, October 29, 2003.

⁸⁶ Owen Bennett-Jones, “The threat of Pakistan’s Suicide Bombers,” BBC News, November 19, 2004; “Armitage: Some Pakistanis Reluctant to Work With US,” Reuters News, September 30, 2003.

“in the absence of greater U.S. guarantees regarding Pakistan’s long-run security interests, it is dangerous [for the Pakistani military] to completely remove the threat of extremism to Kabul and Delhi.” He went on to characterize a full and sincere decision by Islamabad to eradicate extremism as “tantamount to dismantling a weapons system.”⁸⁷ Until mid-2004, the number of Al Qaeda figures arrested in Pakistan had been fairly static for more than one year, causing some U.S. military officials to question the extent of Islamabad’s commitment to this aspect of U.S.-led counterterrorism efforts.⁸⁸

A July 2004 hearing of the Senate Foreign Relations Committee focused specifically on Pakistan and counterterrorism. One area in which there appeared to be consensus among the three-person panel of veteran Pakistan watchers was the potential problems inherent in a perceived U.S. over-reliance on the individual of President Gen. Pervez Musharraf at the potential cost of more positive development of Pakistan’s democratic institutions and civil society. Many analysts believe such development is key to the long-term success of stated U.S. policy in the region. According to one witness, the United States is attempting to deal with Pakistan through “policy triage and by focusing on the personal leadership of President Musharraf,” both of which are “flawed concepts.” Another witness provided a similar analysis, asserting that Musharraf is best seen as a “marginal satisfier” who will do only the minimum expected of him. For instance, in the wake of more serious counterterrorism efforts in the summer of 2004, Musharraf “is likely to return to his satisfier mode.” This expert recommended that, “The United States must alter the impression our support for Pakistan is essentially support for Musharraf,” a sentiment echoed by Pakistani analysts, as well. Thus, the conclusion of the *9/11 Commission Report* that Musharraf’s government is the “best hope for stability in Pakistan and Afghanistan” is not accepted by all informed observers.⁸⁹

Pakistani Military Operations

Background. In an effort to block infiltration along the Pakistan-Afghanistan border, Islamabad had by the end of 2002 deployed some 70,000 troops to the region. In April 2003, the United States, Pakistan, and Afghanistan formed a Tripartite Commission to coordinate their efforts to stabilize the border areas. In June 2003, in what may have been a response to increased U.S. pressure, Islamabad for the first time sent its armed forces into the Federally Administered Tribal Areas (FATA) in search of Al Qaeda and Taliban fighters who have eluded the U.S.-led campaign in Afghanistan. By September 2003, Islamabad had up to 25,000 troops in the tribal

⁸⁷ “Senate Foreign Relations Committee Holds Hearing on Security and Democracy in Afghanistan,” FDCH Transcripts, October 16, 2003; Testimony of Professor Vali Nasr, “Senate Foreign Relations Committee Holds Hearing on Pakistan and Counterterrorism,” FDCH Transcripts, July 14, 2004.

⁸⁸ Author interviews with U.S. military officials, Islamabad, January 22-23, 2004.

⁸⁹ See the testimony of Ambassador Teresita Schaffer and Professor Marvin Weinbaum, “Senate Foreign Relations Committee Holds Hearing on Pakistan and Counterterrorism,” FDCH Transcripts, July 14, 2004; Ahmed Quraishi, “Assassination: The Message,” *News* (Karachi), August 3, 2004; Section 12.2 of *The 9/11 Commission Report*, available at [http://www.gpoaccess.gov/911/].

areas, and a major operation — the first ever of its kind — took place in coordination with U.S.-led forces on the Afghan side of the border. A firefight in early October saw Pakistani security forces engage suspected Al Qaeda fugitives in South Waziristan, the southernmost of the FATA's seven districts which borders Afghanistan's Paktika province. Eight were killed and another 18 captured.⁹⁰ The operations encouraged U.S. officials, who saw in them a positive trend in Islamabad's commitment to tracking and capturing wanted extremists on Pakistani territory. Still, these officials admitted that the Pakistani government finds it more difficult politically to pursue Taliban members who enjoy ethnic and familial ties with Pakistani Pashtuns.⁹¹

After the two December 2003 attempts on President Musharraf's life, the Pakistan military increased its efforts in the FATA. Many analysts speculated that the harrowing experiences brought a significant shift in Musharraf's attitude and caused him to recognize the dire threat posed by radical groups based in his country. In February 2004, Musharraf made his most explicit admission to date that Muslim militants were crossing from Pakistan into Afghanistan to battle coalition troops there. In the same month, the Vice Chairman of the U.S. Joint Chiefs of Staff told a Congressional panel that the Islamabad government had "taken some initiatives to increase their military presence on the border, such as manned outposts, regular patrols, and security barriers." By August 2004, 75,000 Pakistani troops were in the western border areas. Islamabad's more energetic operations in the western tribal regions brought vocal criticism from Musharraf's detractors among Islamist groups, many of whom accuse him of taking orders from the United States.⁹²

Operations in 2004. In March 2004, up to 6,000 Pakistani soldiers took part in a pitched, 12-day battle with Islamic militants in South Waziristan. More than 130 people were killed in the fighting, including 46 Pakistani soldiers, but no "high-value" Al Qaeda or Taliban fugitives are known to have been killed or captured. Pakistani officials called the operation a victory, but the apparent escape of militant leaders, coupled with the vehement and lethal resistance put up by their well-armed cadre (believed to be remnants of the Islamic Movement of Uzbekistan), led many observers to call the operation a failure marked by poor intelligence and hasty

⁹⁰ John Lancaster, "Pakistan Touts Control of Border," *Washington Post*, September 2, 2003; "Pakistan Army Launches Border Operation," BBC News, September 4, 2003; "Pakistan's Army Kills 12 in Attacks Against Qaeda," *New York Times*, October 2, 2003.

⁹¹ See the testimony of both William Taylor and Brig. Gen. Gary North in "Transcript: Senate Foreign Relations Committee Holds Hearing on Security and Democracy in Afghanistan," FDCH Transcripts, October 16, 2003.

⁹² David Rhode and Carlotta Gall, "Pakistani Offensive Aims to Drive Out Taliban and Al Qaeda," *New York Times*, February 23, 2004; "Pakistan Says That Afghan Rebels May Be Using Its Soil," Reuters News, February 12, 2004; Statement of Gen. Peter Pace Before the House Committee on Armed Services, February 4, 2004; "Pakistan rejects Border Criticism," BBC News, August 26, 2004; "Fazl Accuses Govt for Taking Dictation From US for Tribal Operation," Pakistan Press International, January 14, 2004; "US Provoking Tribesmen Against Army, Says Qazi," *Dawn* (Karachi), February 24, 2004.

planning.⁹³ During the course of the battle, Pakistani troops began bulldozing the homes of Wazirs who were suspected of providing shelter to “foreign terrorists,” and the United States made a short-notice delivery of 2,500 surplus protective vests to the Pakistani military.⁹⁴

Concurrent with these developments, the Islamabad government made progress in persuading Pashtun tribal leaders to undertake their own efforts by organizing tribal “lashkars,” or militias, for the express purpose of detaining (or at least expelling) wanted fugitives.⁹⁵ Political administrators in the district, impatient with the slow pace of progress, issued an “ultimatum” that included threats of steep monetary fines for the entire tribe, as well as for any individuals who provide shelter to “unwanted foreigners.”⁹⁶ After March’s military setback, a deadline was set for foreigners living in the tribal areas to register with the government and surrender their weapons with the understanding that they would be allowed to remain in Pakistan if they forswore terrorism. The original date passed without a single registrant coming forward and the government extended the deadline on several occasions.

On April 24, 2004, the five most-wanted Pashtun tribesmen “surrendered” to government authorities and were immediately granted amnesty in return for promises that they would not provide shelter to Al Qaeda members or their supporters. All five were reported to be supporter’s of Maulana Fazlur Rehman’s JUI Islamist party. Islamabad insisted that this “Shakai agreement” would mark no diminution of its counterterrorism efforts, but the top U.S. military officer in Afghanistan, Lt. Gen. David Barno, expressed concern that Pakistan’s strategy of seeking reconciliation with foreign militants in western tribal areas “could go in the wrong direction.” Almost immediately upon making the deal, the most outspoken of the tribal militants, 27-year-old Nek Mohammed, who had fought with the Taliban in Afghanistan, issued threats against Islamabad and pledged his fealty to fugitive Taliban chief Mohammed Omar. During the following weeks, a series of what some analysts called “spurious” deals were struck between the government and foreign militants,

⁹³ Pamela Constable, “Conflict Ends in Pakistani Tribal Lands,” *Washington Post*, March 29, 2004; Owais Tohid, “Mixed Results for Pakistan’s Tribal Offensive,” *Christian Science Monitor*, March 31, 2004.

⁹⁴ Owais Tohid, “Pakistan Marks Pro-Al Qaeda Clan,” *Christian Science Monitor*, March 23, 2004; U.S. Embassy Islamabad Press Release, March 24, 2004.

⁹⁵ There are indications that such progress came through outright coercion. The top U.S. commander in Afghanistan, Gen. Barno, said that Pakistani government and military officials threatened tribal leaders with “destruction of homes and things of that nature” unless they cooperated (“U.S. Says Pakistan is Confronting Tribal Leaders,” *New York Times*, February 17, 2004).

⁹⁶ David Rhode and Ismail Khan, “Pakistan Adopting a Tough Old Tactic to Flush Out Qaeda,” *New York Times*, January 31, 2004; Ismail Khan, “Operation in S. Waziristan,” *Dawn* (Karachi), February 18, 2004; Iqbal Khattak, “Army Ready to Search South Waziristan,” *Daily Times* (Lahore), February 18, 2004.

but these proved unsuccessful after the foreigners failed to register, and numerous tribal militias sought but failed to capture any of them.⁹⁷

In response to this apparent failure of its conciliatory approach, Islamabad ordered authorities in South Waziristan to shutter more than 6,000 merchant shops in an effort to use economic pressure against uncooperative tribesmen, and a “massive mobilization” of federal troops was reported. Then, on June 10, the government rescinded its amnesty offer to the five key militants noted above and issued a “kill or capture” order against them. The next day, fixed-wing Pakistani warplanes bombed three compounds being used by militants in South Waziristan, including one that was described as a terrorist training camp. More than 20,000 troops were said to be involved in a sweep operation that left about 72 people dead, including 17 soldiers, after three days of fighting.⁹⁸ On June 18, Nek Mohammed was located, apparently through signals intelligence, and was killed along with seven others by a missile that may have come from an American Predator drone.⁹⁹

In early September 2004, some 55 suspected Islamic militants were killed when Pakistan warplanes attacked an alleged Al Qaeda training camp in South Waziristan. The military claimed that 90% of the dead were foreigners (mostly Uzbeks and Chechens), but other reports said half were locals, and eyewitnesses told of numerous civilian casualties. Intense fighting continued throughout the month, bringing renewed criticism of the government by both human rights groups and Islamist leaders. The Islamabad government is said to be paying reparations for property damage, and for the death or injury of innocents.¹⁰⁰

In mid-September 2004, Abdullah Mahsud — a Pakistani Pashtun militant who lost a leg fighting for the Taliban in Afghanistan and who was held for more than two years at the U.S. facility at Guantanamo Bay before being released in 2004 —

⁹⁷ “Rebel Tribesmen Agree to Surrender,” *Gulf News* (Dubai), April 24, 2004; M. Ilyas Khan, “Who Are These People,” *Herald* (Karachi), April 2004; “US ‘Concern’ at Pakistan Strategy,” BBC News, May 3, 2004; Zeeshan Haider, “Pakistani Militant Says Taliban Boss His Leader,” Reuters News, May 6, 2004; “Pakistan Dealing With Both Hands,” Stratfor.com, May 13, 2004; “Pakistan Amnesty Deal Hit By Setback,” BBC News, May 124, 2004; “Lashkar Completes Hunt in Azam Warsak,” *News* (Karachi), May 19, 2004.

⁹⁸ Ismail, Khan, “Wana Amnesty for Militants Revoked,” *Dawn* (Karachi), June 10, 2004; Salman Masood, “Pakistan Bombs Compounds Used by Foreign Militants,” *New York Times*, June 11, 2004; Munir Ahmad, “Pakistan Ends Operation Against Al Qaeda suspects,” *Washington Post*, June 14, 2004.

⁹⁹ “Pakistan Army Kills Tribal Leader,” BBC News, June 18, 2004; Ismail Khan and Dilawar Khan Wazir, “Night Raid Kills Nek, Four Other Militants,” *Dawn* (Karachi), June 19, 2004.

¹⁰⁰ “Raid on Al Qaeda Camp Kills 55,” CNN.com, September 9, 2004; Dilawar Khan Wazir, “Wana Dead Included 25 Local Militants,” *Dawn* (Karachi), September 12, 2004; “Pakistan Opposition, Rights Leaders Condemn Military Attack on Tribal Areas,” BBC Monitoring South Asia, September 11, 2004; “Qazi Terms Wana Action State Terrorism,” *Dawn* (Karachi), September 12, 2004; Imtiaz Gul, “Wana Turning Into a War Zone,” *Friday Times* (Lahore), October 1, 2004; Amir Mohammed Khan, “Army Operation in S Waziristan to End Soon: IPSR,” *News* (Karachi), December 8, 2004.

reportedly refused to allow Pakistan security forces to use a key road connecting North and South Waziristan. Mahsud was believed to be trying to fill the shoes of Nek Mohammed, a leading tribal militant killed in June. On October 9, two Chinese engineers traveling through South Waziristan along with two Pakistani security officers were kidnaped by Mahsud and his followers, who threatened to kill their hostages. Five days later, Pakistani commandos stormed the militants' hideout and killed five kidnappers inside, but Mahsud was not found. One Chinese national was freed and one was killed in the shootout. Some 1,000 Pakistan soldiers launched a manhunt for Mahsud, but he has eluded capture to date. On October 26, a group of tribal leaders who had been trying to broker Mahsud's surrender came under attack from what the military called rockets fired by "miscreants." Fourteen were killed in a sign of growing intra-tribal conflict over government policy in the FATA.¹⁰¹

Fallout. As was noted above, President Musharraf's post-September 2001 policy reversals and his efforts to crack down on Islamic extremist groups likely motivated the two deadly December 2003 attempts to assassinate the Pakistani leader. As Pakistan's coercive counterterrorism policies became more vigorous, numerous observers warned that increased government pressure on tribal communities and military operations in the FATA were creating a backlash, sparking unrest and strengthening pro-Al Qaeda sentiments both there and in Pakistan's southern and eastern cities.¹⁰² Developments in 2004 appear to have borne out these analyses. As his army battled militants in South Waziristan in June, President Musharraf told an interviewer that he was concerned about "fallout" from the recent military operations, and a Pakistan Army spokesman drew direct links between a six-week-long spate of mostly sectarian bombings and killings in Karachi and government efforts to root out militants in South Waziristan (at least 72 people were killed between May 3 and June 10, including ten murdered when suspected Islamic militants attempted to kill a top Pakistani Army commander in Karachi). A leading pro-Taliban militant in the tribal areas accused Islamabad of "conniving" with the U.S. government to kill Nek Mohammed, and he warned that the military operation in South Waziristan would lead to further violence across Pakistan. Several international aid organizations suspended their operations in the Baluchistan province after receiving threats of suicide attacks.¹⁰³

Islamic militant outrage appeared to again be peaking in mid-summer 2004: During the week spanning July and August, a suicide bomber killed a senior

¹⁰¹ Dilawar Khan Wazir, "Waziristan Clashes Leave 13 Dead," *Dawn* (Karachi), September 13, 2004; "Pakistan Forces Hunt for Militant," BBC News, October 21, 2004; "14 Pakistani Tribesmen Killed While Trying to Broker Militant Surrender," Agence France Presse, October 27, 2004.

¹⁰² See, for example, Iqbal Khattak, "Military Operation in Waziristan May Backfire," *Friday Times* (Lahore), February 20, 2004; Simon Denyer and Zeeshan Haider, "Pakistan Risks Enraging Tribes in Bin Laden Hunt," Reuters News, March 21, 2004; Mazhar Abbas, "Wana to Karachi: Militants Take on the Army," *Friday Times* (Lahore), June 18, 2004.

¹⁰³ "Musharraf Worried About Wana Operation Fallout," *Dawn* (Karachi), June 21, 2004; Hafiz Wazir, "Pakistan Kills Pro-Al Qaeda Tribal Fighter," Reuters News, June 18, 2004; Rahimullah Yusufzai, "Militants' Commander Warns of Wana Fallout," *News* (Karachi), August 1, 2004; "Agencies Halt Pakistan Operations," BBC News, June 6, 2004.

Pakistani intelligence officer in Kohat near the tribal areas; another suicide bomber murdered nine people in a failed attempt to assassinate Pakistan's Prime Minister-designate (an Al Qaeda-affiliated group claimed responsibility for the attack); and gunmen killed a police officer in a failed effort to assassinate the Baluchistan Chief Minister. As conflict and bloodshed in Pakistan increased, analysts again expressed acute concerns about the country's fundamental political stability.¹⁰⁴

U.S. Military Presence and U.S. Government Assistance. The issue of small-scale and sporadic U.S. military presence on Pakistani soil is a sensitive one, and reports of even brief incursions from neighboring Afghanistan have caused tensions between Islamabad and Washington.¹⁰⁵ In December 2003, some 2,000 American troops based in Afghanistan were involved in Operation Avalanche, an effort to sweep Taliban forces from that country's south and east. In March 2004, U.S. and Afghan forces conducted Operation Mountain Storm in the same areas, employing new tactics and in coordination with Pakistani troops across the international border.¹⁰⁶ A press report in January 2004 had suggested that the U.S. military in Afghanistan had plans for a spring offensive that would "go into Pakistan with Musharraf's help" to neutralize Al Qaeda forces, a suggestion that President Musharraf's said was "not a possibility at all." The Commander of U.S. Central Command Gen. Abizaid stated that he had no plans to put U.S. troops in Pakistan against Islamabad's wishes, and a senior U.S. diplomat and senior U.S. military officer later told a House Armed Services Committee panel that it is "absolutely" the policy of the United States to keep its troops on the Afghan side of the Afghan-Pakistani border. In April 2004, the U.S. Ambassador to Afghanistan caused some further annoyance in Islamabad when he said that the Pakistani leadership must solve the ongoing problem of militant infiltration into Afghanistan or "we will have to do it for ourselves." American artillery reportedly can be fired onto militant forces with Islamabad's permission. U.S. military officials in Kabul say that Pakistan has agreed to allow "hot pursuit" up to ten kilometers into Pakistani territory, although this is officially denied by the Islamabad government.¹⁰⁷

¹⁰⁴ "Bomb Kills Pakistan Intelligence Chief," CNN.com, July 28, 2004; "Several Arrests Made in Pakistan Attack," *New York Times*, August 1, 2004; "Pakistan Politician Survives Raid," BBC News, August 2, 2004. On political stability, see, for example, the testimony of witnesses before the Senate Foreign Relations Committee on "Pakistan and Counterterrorism," July 14, 2004; "Musharraf's Tightrope Act," *Jane's Intelligence Digest*, August 6, 2004.

¹⁰⁵ "Pakistan Protests at US Incursion," BBC News, May 5, 2004.

¹⁰⁶ "US Launches Major Al Qaeda Hunt," BBC News, March 20, 2004; David Sanger and Eric Schmitt, "New U.S. Effort Steps Up Hunt for Bin Laden," *New York Times*, February 29, 2004.

¹⁰⁷ Christine Spolar, "U.S. Plans Al Qaeda Offensive That Would Reach Inside Pakistan," *Chicago Tribune*, January 27, 2004; Stephan Graham, "U.S. Military 'Sure' to Catch Bin Laden," *Chicago Tribune*, January 29, 2004; "House Armed Services Committee Holds Hearing on Afghanistan Security and Reconstruction," FDCH Transcripts, April 29, 2004; "Envoy Warns Pakistan Over Havens," CNN.com, April 5, 2004; Thomas Coghlan, "Up Close in al Qaeda Hunt," BBC News, October 13, 2004; author interviews with U.S. military officials, Kabul, January 16, 2004. Pakistan also denied a February report claiming (continued...)

Since the spring of 2002, U.S. military and law enforcement personnel reportedly have been engaging in direct, low-profile efforts to assist Pakistani security forces in tracking and apprehending fugitive Al Qaeda and Taliban fighters on Pakistani territory, especially with signals and other intelligence. U.S. forces in Afghanistan reportedly provide significant support to Pakistani forces operating near the Afghan border — including spy satellites, electronic surveillance planes, armed aerial drones, and sophisticated ground sensors — and law enforcement efforts within Pakistan reportedly benefit from CIA- and FBI-supplied surveillance equipment and other backing. There also are reports that the United States is assisting Pakistan in the creation of a 700-man “Counter-Terrorism Cell,” and Pakistan’s air force chief said in September 2004 that U.S. forces continued to make use of several air bases near the Afghan border.¹⁰⁸

Security-related U.S. assistance programs for Pakistan are said to be aimed at bolstering Islamabad’s counterterrorism and border security efforts, and have included U.S.-funded road-building projects in the Northwest Frontier Province and Federally Administered Tribal Areas, the provision of night-vision equipment, communications gear, protective vests, 26 transport helicopters, and, currently in the pipeline, six used C-130 transport aircraft. The United States also has undertaken to train and equip new Pakistan Army Air Assault units that can move quickly to find and target terrorist elements.¹⁰⁹

In September 2004, the Pentagon notified Congress of the possible Foreign Military Sale to Pakistan of \$78 million worth of military radio systems meant to improve Pakistani communication capabilities and to increase interoperability between Pakistani and U.S.-led counterterrorist forces. In November, potential sales to Pakistan of eight P-3C maritime reconnaissance aircraft, six Phalanx naval guns, and 2,000 TOW anti-armor missiles were announced. The deals could be worth up to \$1.2 billion for Lockheed Martin and Raytheon, the prime contractors. The Department of Defense characterizes the P-3Cs and TOW missiles as having significant anti-terrorism applications (a claim that has elicited skepticism from some analysts), and it asserted that the proposed sales would not affect the military balance in the region. India’s external affairs minister has “cautioned the United States”

¹⁰⁷ (...continued)

that the it had agreed to allow U.S. Special Forces soldiers on its territory in return for a softened U.S. policy toward Pakistan’s apparent role in nuclear proliferation activities (Seymour Hersh, “The Deal,” *New Yorker*, March 8, 2004).

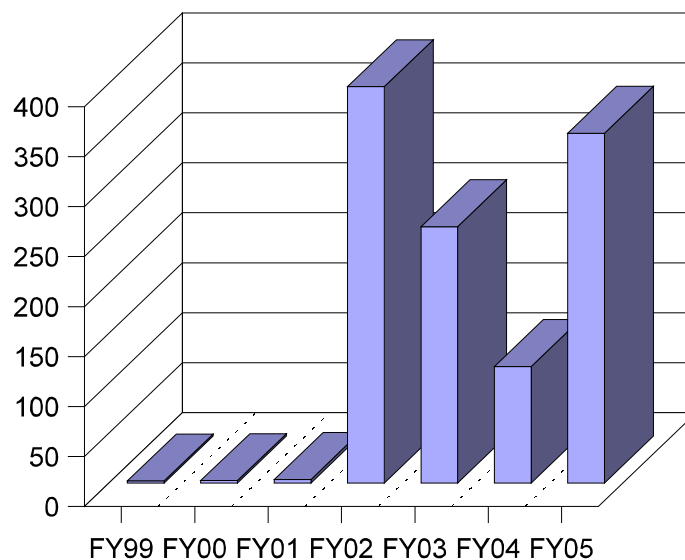
¹⁰⁸ Josh Meyer and Greg Miller, “Terror Plotter May Be Trapped,” *Los Angeles Times*, March 19, 2004; Howard LaFranchi, “Arrests Bolster Bush’s Embrace of Pakistan,” *Christian Science Monitor*, August 9, 2004; Imtiaz Gul, “In the Clutches of the CIA-FBI Combine,” *Friday Times* (Lahore), August 13, 2004; Mubasher Bukhari, “US Will Help Pakistan Set Up Anti-Terror Cell,” *Daily Times* (Lahore), September 3, 2004; A.H. Khanzada, “US Forces Operating From PAF Forward Bases: CAS,” *News* (Karachi), September 15, 2004.

¹⁰⁹ Statement of Lt. Gen. Walter Sharp Before the House Committee on Armed Services, April 29, 2004; Mubasher Bukhari, “US Choppers Given to Army Aviation Wing,” *Daily Times* (Lahore), July 25, 2004; U.S. Department of State, *Congressional Budget Justification for Foreign Operations, FY2005*, released February 10, 2004.

against any decision to sell F-16 fighter jets to Pakistan, adding that the “U.S. arms supply to Pakistan would have a negative impact on the goodwill the United States enjoys with India, particularly as a sister democracy.” The Pentagon reports Foreign Military Sales agreements with Pakistan worth \$27 million in FY2002 and \$167 million in FY2003.¹¹⁰

When FY2005 appropriations are included, Pakistan will have received \$1.16 billion in direct U.S. security-related assistance since September 2001 (Foreign Military Financing totaling nearly \$675 million plus about \$484 million for other programs, see Figure 1).¹¹¹ Congress also has allocated billions of dollars in additional defense spending to reimburse Pakistan and other cooperating nations for their support of U.S. counterterrorism operations. Pentagon documents indicate that Pakistan received coalition support funding of \$1.32 billion for the period from January 2003-September 2004, an amount roughly equal to one-third of Pakistan’s total defense expenditures during that period.

Figure 1. Security-Related U.S. Assistance to Pakistan, FY2001-FY2005
(in millions of dollars)



The first half of 2004 saw clear indications that both the United States and Pakistan have re-invigorated their efforts to find and capture those terrorists and their supporters remaining in Pashtun-majority areas of Afghanistan and Pakistan. Moreover, President Musharraf has taken steps to crack down on indigenous Pakistani extremist groups. Many of these groups have links not only to individuals

¹¹⁰ “India Cautioned US Against Selling F-16s to Pakistan: Foreign Minister,” Agence France Presse, December 8, 2004; on sales figures, see Defense Security Cooperation Agency Facts Books 2003, available at [<http://www.dsca.osd.mil>].

¹¹¹ “Security-related assistance” here includes Foreign Military Financing; International Military Education and Training; International Narcotics Control and Law Enforcement; Nonproliferation, Anti-Terrorism, Demining, and Related; and Peacekeeping Operations.

and organizations actively fighting in Afghanistan and Pakistan, but also with groups that continue to pursue a violent separatist campaign in the disputed Kashmir region along Pakistan's northeast frontier. A November 2003 cease-fire agreement between Pakistan and India holds at the time of this writing, and appears to have contributed to what New Delhi officials acknowledge is a major decrease in the number of "terrorist" infiltrations.¹¹² However, separatist militants vowed in January 2004 to continue their struggle regardless of the status of the nascent Pakistan-India dialogue.

Terrorism in Kashmir and India¹¹³

Kashmiri Separatism

Separatist violence in India's Jammu and Kashmir state has continued unabated since 1989. New Delhi has long blamed Pakistan-based militant groups for lethal attacks on Indian civilians, as well as on government security forces, in both Kashmir and in major Indian cities.¹¹⁴ India holds Pakistan responsible for providing material support and training facilities to Kashmiri militants. Pakistan denies providing anything more than diplomatic and moral support to separatists. In fact, disagreement over the meaning of the word "terrorism" remains a sticking point in India-Pakistan relations.¹¹⁵ According to the U.S. government, several anti-India militant groups fighting in Kashmir are based in Pakistan and are closely linked to Islamist groups there. Many also are said to maintain ties with international jihadi organizations, including Al Qaeda:

- Harakat ul-Mujahideen (an FTO-designate), based in Muzaffarabad (Azad Kashmir) and Rawalpindi, is aligned with the Jamiat-i Ulema-

¹¹² In July 2004, an Indian Home Ministry official told the Indian Parliament that there were 30 "infiltration incidents" at the Kashmiri LOC during the first half of 2004, compared to 164 and 138 during the same periods of 2002 and 2003, respectively ("Infiltration Up But J&K Violence Down," *Times of India* (Delhi), July 7, 2004. See also "Indian Home Minister Says Kashmir Infiltration Down by 60%," BBC Monitoring South Asia, December 7, 2004).

¹¹³ This section written by K. Alan Kronstadt, Analyst in Asian Affairs.

¹¹⁴ Grenade and bomb attacks against civilians have been a regular occurrence in India and Indian Kashmir for many years. Among the notable terrorist incidents in recent times were a May 2002 attack on an Indian army base in Kaluchak, Kashmir that killed 37, many of them women and children (New Delhi identified the attackers as Pakistani nationals); a July 2002 attack on a Jammu village that killed 27; an August 2002 grenade attack in Kashmir that killed nine Hindu pilgrims and injured 32 others; a September 2002 attack on a Gujarat temple that left 32 dead; a March 2003 massacre of 24 Hindu villagers in Nadimarg, Jammu; a July 2003 attack on a Jammu village that killed seven and injured more than 20; a July 2003 bus bombing in a Bombay suburb that left four dead and 42 injured; and a pair of August 2003 car bombings in a crowded Bombay district that killed 52 and injured some 150 more. Indian authorities linked each of these attacks to the LeT, although the last may have been planned by indigenous elements (John Lancaster, "India Shocked by Bombay Bombings, and Suspects," *Washington Post*, September 12, 2003).

¹¹⁵ India-Pakistan Talks on "Terror," BBC News, August 11, 2004.

- i Islam Fazlur Rehman party (JUI-F), itself a main constituent of the MMA Islamist coalition in Pakistan's National Assembly;
- Hizbul Mujahideen (on the State Department's list of "other terrorist groups"), believed to have bases in Pakistan, is the militant wing of Pakistan's largest Islamic political party and leading MMA member, the Jamaat-i-Islami;
- Jaish-e-Mohammed (an FTO-designate), based in both Peshawar and Muzaffarabad, also is aligned with JUI-F; and
- Lashkar-e-Taiba (an FTO-designate), based in Muzaffarabad and near Lahore, is the armed wing of a Pakistan-based, anti-U.S. Sunni religious organization formed in 1989.¹¹⁶

JeM claimed responsibility for an October 2001 suicide bomb attack on the Jammu and Kashmir state assembly building in Srinagar that killed 31 (they later denied the claim). In December 2001, the United States designated both LeT and JeM as Foreign Terrorist Organizations shortly after they were publically implicated by New Delhi for an attack on the Indian Parliament complex that killed nine and injured 18. This assault spurred India to fully mobilize its military along the India-Pakistan frontier. An ensuing 10-month-long standoff in 2002 involved one million Indian and Pakistani soldiers and was viewed as the closest the two countries had come to full-scale war since 1971, causing the U.S. government to become "deeply concerned ... that a conventional war ... could escalate into a nuclear confrontation."¹¹⁷

Pakistan's powerful and largely autonomous ISI is widely believed to have provided significant support for militant Kashmiri separatists over the past decade in what is perceived as a proxy war against India.¹¹⁸ In March 2003, the chief of India's Defense Intelligence Agency reported providing the United States with "solid documentary proof" that 70 Islamic militant camps are operating in Pakistani Kashmir. In May, the Indian Defense Minister claimed that about 3,000 "terrorists" were being trained in camps on the Pakistani side of the LOC. Some Indian officials

¹¹⁶ U.S. Department of State, *Patterns of Global Terrorism 2002*, April 30, 2003. Among the State Department's "other terrorist groups" active in Kashmir are the Al Badhr Mujahideen, the Harakat ul-Jihad-e-Islami, and the Jamiat ul-Mujahideen. All are said to have bases in Pakistan, and all are designated by the Indian government as being terrorist organizations (Indian Ministry of Home Affairs, "The Prevention of Terrorism Act, 2002," available at [<http://mha.nic.in/poto-02.htm#schdule>]).

¹¹⁷ Statement of Director of Central Intelligence George Tenet Before the Senate Armed Services Committee, "Worldwide Threat: Converging Dangers in a Post-9/11 World," March 19, 2002.

¹¹⁸ "Although Pakistan did not begin the [1989] uprising in Kashmir, the temptation to fan the flames was too great for Islamabad to resist. Using guerrilla warfare expertise gained during the Afghan war, Pakistan's ISI began to provide active backing for Kashmiri Muslim insurgents" (Dennis Kux, *The United States and Pakistan 1947-2000: Disenchanted Allies*, Washington: Woodrow Wilson Center Press, 2001, p. 305). Many Indian analysts emphasize evidence of a direct link between Pakistan-sponsored militancy in Kashmir and the wider assortment of radical Islamic groups active in Pakistan after 2001, with one going so far as to call Lashkar-e-Taiba a "wholly owned subsidiary of the ISI" (Indrani Bagchi, "Beyond Control," *India Today* (New Delhi), December 8, 2003).

have suggested that Al Qaeda may be active in Kashmir.¹¹⁹ Deputy Secretary of State Armitage reportedly received a June 2002 pledge from Pakistani President Musharraf that all “cross-border terrorism” would cease, followed by a May 2003 pledge that any terrorist training camps in Pakistani-controlled areas would be closed. Yet, in September 2003, Indian PM Vajpayee reportedly told President Bush that continued cross-border terrorism from Pakistan was making it difficult for India to maintain its peace initiative, and a series of bloody attacks seemed to indicate that infiltration rates were on the rise.¹²⁰

President Musharraf adamantly insists that his government is doing all it can to stem infiltration at the LOC and calls for a joint Pakistan-India monitoring effort there. Positive signs have come with a November 2003 cease-fire agreement between Pakistan and India along the entire LOC and their shared international border (holding at the time of this writing) and a January 2004 pledge by Musharraf reassuring the Indian Prime Minister that no territory under Pakistan’s control could be used to support terrorism. Ensuing statements from Indian government officials confirmed that infiltration rates were down significantly. However, a spate of separatist-related violence in Indian Kashmir in June 2004 increased in July, with shootouts and bombings causing scores of deaths. While on a July visit to New Delhi to meet with top Indian leaders, Deputy Secretary of State Armitage told reporters that “the infrastructure [in Pakistan] that supports cross-border activities [in Kashmir] has not been dismantled.” However, infiltration rates appear to have dropped sharply in August.¹²¹

Despite the waning rates of infiltration, the issue continues to rankle leaders in New Delhi and remains a potential impediment to progress in the 18-month-old India-Pakistan peace initiative. In August 2004, India’s ruling Congress Party claimed that Pakistan continues to support ongoing “cross-border terrorism” in Kashmir (Pakistan’s outgoing prime minister rejected the claims). In September, former Indian PM Vajpayee said that President Musharraf was not fulfilling his January 2004 pledge to end the use of Pakistani territory by terrorist groups and, just before meeting Musharraf in New York, current Indian PM Singh said that India would continue talks with Pakistan “provided that the threat by terrorist elements can

¹¹⁹ “India Says It Has Given Proof of 70 Islamic Militant Camps in Pakistan-Controlled Kashmir,” Associated Press Newswires, March 14, 2003; “3,000 ‘Terrorists’ Being Trained in Pakistani Kashmir: India,” Agence France Presse, July 30, 2003. In October 2003, the Indian Chief of Army Staff raised the possibility of an Al Qaeda presence, as “most of the terrorists killed in [Jammu and Kashmir] are foreign nationals these days” (“Al Qaeda Presence Not Ruled Out in J&K,” *Hindu* (Madras), October 12, 2003).

¹²⁰ Chidanand Rajghatta, “Cross-Border Terror Continues, Vajpayee Tells Bush,” *Times of India* (Delhi), September 25, 2003; Scott Baldauf, “Insurgents Push Into Kashmir,” *Christian Science Monitor*, October 7, 2003.

¹²¹ “Infiltration Up But J&K Violence Down,” *Times of India* (Delhi), July 7, 2004; “Armitage Finds Pakistan-India Relations Improving,” U.S. Department of State Washington File, July 15, 2004; Manoj Joshi, “Did Infiltration Drop Help Talks?,” *Hindustan Times* (Delhi), September 15, 2004.

be kept under control.” India’s foreign minister issued an even stronger statement of the same demand in October.¹²²

Indigenous Indian-Designated Terrorist Groups

The United States does not designate as terrorist organizations those groups that continue violent separatist struggles in India’s northeastern states. Some of the groups have, however, been implicated in lethal attacks on civilians and have been designated as terrorist groups by New Delhi under the 2002 Prevention of Terrorism Act (POTA).¹²³ Among the dozens of insurgent groups active in the northeast are:

- the National Democratic Front of Bodoland (NDFB);
- the National Liberation Front of Tripura;
- the United Liberation Front of Assam (ULFA); and
- the United National Liberation Front (seeking an independent Manipur).

The Indian government has at times blamed Bangladesh, Burma, Nepal, and Bhutan for “sheltering” one or more of these groups beyond the reach of Indian security forces, and accuses Pakistan’s intelligence agency of training members and providing them with material support.¹²⁴ In December 2003, after considerable prodding by New Delhi, Bhutan launched military operations against NDFB and ULFA rebels based in border areas near India’s Assam state. The leader and founder of the ULFA was captured and, by February 2004, India’s Army Chief declared that nearly 1,000 militants in Bhutan had been “neutralized” — killed or captured.¹²⁵ Yet the rebels appeared to regroup and attacks on civilians did not end: on August 15, a bomb exploded at an Independence Day parade in Assam, killing 18 people, many of them

¹²² “Pakistan Hasn’t Ended Cross-Border Terror: Congress,” *Hindustan Times* (Delhi), August 22, 2004; “Vajpayee Says Musharraf Backtracking on Promise,” Press Trust of India, September 8, 2004; “India to Pursue Talks With Pakistan If Terrorism ‘Under Control,’” Agence France Presse, September 20, 2004; “India Says Peace Talks ‘Dependent’ On Pakistan Reining In Kashmir rebels,” Agence France Presse, October 9, 2004.

¹²³ See Indian Ministry of Home Affairs, “The Prevention of Terrorism Act, 2002,” available at [<http://mha.nic.in/poto-02.htm#schedule>]. In September 2004, New Delhi’s new Congress-led government repealed the controversial POTA in response to widespread allegations of human rights abuses, although the status of designated organizations was unchanged. Another controversial law, the Armed Forces Special Powers Act, has come under fire for facilitating “grave human rights violations” (“POTA Repealed, Law Amended to Fight Terrorism,” *Hindustan Times* (Delhi), September 18, 2004; Amnesty International, “India: Call for Repeal or Review of the Armed Forces Special Powers Act, 1958,” August 11, 2004).

¹²⁴ “Northeast Carnage Blamed on Terror Bases Across Borders,” *Hindustan Times* (Delhi), October 6, 2004; “ISI Has Shifted Militant Camps to Bangladesh: BSF DG,” Press Trust of India, September 14, 2004; Mahendra Ved, “Center Suspects ISI Hand in N-E Blasts,” *Times of India* (Delhi), October 8, 2004.

¹²⁵ Wasbir Hussain, “Going for the Kill,” *Outlook India* (Delhi), December 22, 2003; Nirmal Banerjee, “N-Proliferation From Pak Dangerous: Vij,” *Times of India* (Delhi), February 5, 2004; “Screws Tighten on Indian Rebels,” BBC News, January 2, 2004.

children. Police blamed ULFA for the blast. Six weeks later, a spate of bombings and shootings in Assam and Nagaland left at least 83 people dead in what was called a joint operation by ULFA and NDFB. Both Burma and Bangladesh may move to increase pressure on Indian rebels based on their territory; New Delhi has suggested coordinated military operations in the border areas and has increased its counterterrorism cooperation with Kathmandu and Thimphu.¹²⁶

Also operating in India are Naxalites — communist insurgents engaged in violent struggle on behalf of landless laborers and tribals. These groups, most active in inland areas of east-central India, claim to be battling oppression and exploitation in order to create a classless society. Their opponents call them terrorists and extortionists. An Indian government report said that 831 people — 515 civilians, 105 policemen, and 211 militants — were killed in Naxalite violence in India in 2003.¹²⁷ Most notable are the People's War Group (PWG), mainly active in the southern Andhra Pradesh state, and the Maoist Communist Center of West Bengal and Bihar. In 2004, for the first time and without public explanation, these groups appeared on the U.S. State Department's list of "other terrorist groups" (it is likely that the move was spurred by a U.S. interest in assisting both New Delhi and Kathmandu in efforts to combat Maoist insurgents in Nepal).¹²⁸ Both also are designated as terrorist groups by New Delhi; each is believed to have about 2,000 cadres. PWG fighters were behind an October 2003 landmine attack that nearly killed the Chief Minister of Andhra Pradesh. In July 2004, the government of Andhra Pradesh lifted an 11-year-old ban on the PWG in preparation for planned peace talks. A September rally in Hyderabad, the PWG's first since 1990, attracted tens of thousands of supporters. Analysts contend that the abilities of Indian Maoist militants to conduct insurgency has spread to 12 of India's 28 states, in part through the forging of cross-border links with Nepali insurgents.¹²⁹

India-U.S. Counterterrorism Cooperation

One facet of the emerging "strategic partnership" between the United States and India is increased counterterrorism cooperation. The U.S.-India Joint Working Group on Counterterrorism was established in January 2000 to intensify bilateral cooperation; this body met for the sixth time in August 2004. In November 2001,

¹²⁶ Robert Karinol, "Rebels Look to Re-Establish Base in Bhutan," *Jane's Security & Terrorism Monitor*, September 15, 2004; "Bomb Kills Many Indians at Parade," BBC News, August 15, 2004; "Ten Killed in Fresh Assam Attack," BBC News, October 5, 2004; "India Ready for Joint Operations: Manmohan," *Hindu* (Madras), October 27, 2004; "India, Nepal Agree to Step Up Anti-Terror Cooperation," BBC Monitoring South Asia, September 12, 2004; "India Offers Bhutan Security Assistance," Press Trust of India, October 12, 2004.

¹²⁷ "Extremist Violence Claims 831 Lives," *Hindustan Times* (Delhi), August 25, 2004.

¹²⁸ Interview with U.S. State Department official, May 11, 2004.

¹²⁹ See "The 14 Spokes of a Revolution," *Outlook India* (Delhi), October 20, 2003; "India: Terrorist Groups," South Asia Terrorism Portal, available at [<http://www.satp.org/satporgtp/countries/india/terroristoutfits/index.html>]; Omer Farooq, "Indian State Lifts Bans on Rebel Group," Associated Press, July 21, 2004; "Huge Turnout for Indian Maoists," BBC News, September 29, 2004; Rahul Bedi, "Cross-Border Links Strengthen India's Insurgent Groups," *Jane's Intelligence Review*, November 1, 2004.

President Bush and Indian Prime Minister Vajpayee agreed that “terrorism threatens not only the security of the United States and India, but also our efforts to build freedom, democracy and international security and stability around the world.”¹³⁰ In May 2002, India and the United States launched the Indo-US Cyber Security Forum to safeguard critical infrastructures from cyber attack. The State Department believes that continued engagement with New Delhi will lead to India’s playing a constructive role in resolving terrorist insurgencies in Nepal and Sri Lanka. Calling New Delhi a “close ally of the United States in the global war on terrorism,” the Bush Administration has undertaken to provide India with better border security systems and training, and better intelligence in an effort to prevent future terrorist attacks. Moreover, the two countries’ militaries have continued to work together to enhance their capabilities to combat terrorism and increase interoperability.¹³¹ U.S. military sales to India are to include \$29 million worth of equipment meant to enhance the counterterrorism capabilities of India’s special forces, and India may also purchase chemical and biological protection equipment.¹³²

The seating of a new left-leaning national government in New Delhi in May 2004 appears as yet to have had no noticeable effect on continued U.S.-India security ties. A sixth meeting of the bilateral Defense Policy Group in June ended with a joint statement that recognized “growing areas of convergence on fundamental values” including combating terrorism. Shortly after, during a visit to New Delhi to meet with top Indian leaders, Deputy Secretary of State Armitage told reporters that the new Indian government appears to be just as desirous of enhanced U.S.-India relations as the previous one and that the United States has “absolute confidence that the U.S.-India relationship is going to grow in all its aspects.” President Bush met with new Indian Prime Minister Manmohan Singh in New York in September and noted the U.S.-India relations are as close as they have ever been.¹³³

¹³⁰ “Joint Statement of U.S., India on Terrorism, Bilateral Ties,” U.S. Department of State Washington File, November 9, 2001.

¹³¹ U.S. Department of State, Bureau of Resource Management, “FY2004 Performance Plan,” March 2003. Assistant Secretary of State Christina Rocca, “U.S., Regional Governments Cooperating Against South Asian Terrorism,” U.S. Department of State Washington File, October 29, 2003; U.S. Department of Defense, Office of the Press Secretary, “Joint Statement on U.S.-India Defense Policy Group,” August 8, 2003.

¹³² “U.S. Recognizes India as a ‘Natural Trading Partner,’” U.S. department of State Washington File, August 24, 2004.

¹³³ “Indo-US Defense Policy Group Meeting Concludes,” Indian Ministry of Defense Press Release, June 3, 2004; “U.S.-India Ties Remain Strong with Congress Party Government,” U.S. Department of State Washington File,” July 14, 2004; “Bush, Indian Prime Minister Singh Hold First Meeting,” U.S. Department of State Washington File, September 21, 2004.

Other South Asian Countries¹³⁴

Bangladesh

There is increasing concern among analysts that Bangladesh might serve as a base from which both South and Southeast Asian terrorists could regroup. There have been reports that up to 150 Taliban and Al Qaeda fighters fled to Bangladesh from Afghanistan in December 2001 aboard the *MV Mecca*, which reportedly sailed from Karachi to Chittagong.¹³⁵ This was evidently not the beginning of Al Qaeda connections with Bangladesh. Al Qaeda had reportedly recruited Burmese Muslims, known as the Rohingya, from refugee camps in southeastern Bangladesh to fight in Afghanistan, Kashmir and Chechnya.¹³⁶ An Al Qaeda affiliate, Harkat-ul-Jihad-al-Islami (HuJI) was founded by Osama bin Laden associate Fazlul Rahman.¹³⁷ HuJI is also on the State Department's list of other terrorist organizations.¹³⁸ Rahman joined bin Laden's World Islamic Front for the Jihad Against the Jews and the Crusaders in 1998.¹³⁹ It has the objective of establishing Islamic rule in Bangladesh. HuJI has recruited its members, thought to number from several thousand to 15,000, from the tens of thousands of madrassas in Bangladesh, many of which are led by veterans of the "jihad" against the Soviets in Afghanistan. The organization is thought to have at least six camps in Bangladesh as well as ties to militants in Pakistan.¹⁴⁰ The Bangladesh National Party coalition government includes the small Islamic Oikya Jote party which has connections to HuJI.¹⁴¹ It was reported that French intelligence led to the arrest of 16 Bangladeshis on December 4, 2003 in Bolivia for allegedly planning to hijack a plane to attack the United States. According to reports, they were later released for lack of evidence. 11 Bangladeshis were arrested in Saudi Arabia on August 14, 2003 on suspicion of planning a terrorist act.¹⁴²

¹³⁴ This section written by Bruce Vaughn, Analyst in Southeast and South Asian Affairs.

¹³⁵ Alex Perry, "Deadly Cargo," *Time Asia*, October 21, 2003.

¹³⁶ Zachary Abuza, *Militant Islam in Southeast Asia*, (Boulder: Lynne Rienner Publishers, 2003), p. 174.

¹³⁷ Zachary Abuza, *Militant Islam in Southeast Asia*, (Boulder: Lynne Rienner Publishers, 2003), p. 174.

¹³⁸ *Patterns of Global Terrorism 2002*, United States Department of State, Office of the Coordinator of Counter-terrorism, April, 2003.

¹³⁹ Rohan Gunaratna, *Inside Al Qaeda* (New York: Berkeley Books, 2003), p.60.

¹⁴⁰ *Patterns of Global Terrorism, 2002*, United States Department of State, Office of the Coordinator of Counter-terrorism, April, 2003, p.133-4.

¹⁴¹ Bertil Lintner, "Bangladesh: Breeding Ground for Muslim Terror," [http://www.atimes.com]. See also Bertil Lintner, "Religious Extremism and Nationalism in Bangladesh," Paper presented at the Center for Security Studies, Honolulu, August 19, 2002.

¹⁴² Anand Kumar, "Bangladesh Weak Link in War on Terror," *The Straits Times*, December 16, 2003.

The Rohingya Solidarity Organization (RSO) is the largest organization representing the over 120,000 Rohingyas in Bangladesh.¹⁴³ The number of Rohingyas varies depending on the level of pressure they are under in their homelands in Burma. The Rohingya also speak the same language as Bangladeshis from the Chittagong area. These “destitute and stateless people” have proved to be a “fertile ground” for recruitment to various militant Islamist groups.¹⁴⁴ The RSO has reportedly received support from the Jamaat-e-Islami in Bangladesh. Afghan instructors are reported to have been seen in RSO camps.

There are also reports, based on information derived from the interrogation of Jemaah Islamiya (JI) leader Hambali, who was arrested in Thailand in August 2003, that indicate that he had made a decision to shift JI elements to Bangladesh in response to recent counter-terrorist activity in Southeast Asia. It is also thought that key JI operative Zulkifi Marzuki may already be in Bangladesh.¹⁴⁵ The decision to move operations west may also be evident in the arrest of 13 Malaysians and six Indonesians, including Hambali’s brother Rusman Gunawan, in Pakistan in September 2003. Bangladeshis have been among those arrested in Pakistan on suspicion of being linked to terrorist organizations.¹⁴⁶ Some have speculated that JI militants, thought to be from Malaysia and Singapore, would not have made it to southeastern Bangladesh without some degree of tacit agreement from the Directorate General of Forces Intelligence of Bangladesh which is thought, by some, to have close ties with ISI.¹⁴⁷ It is also thought that Fazlul Rahman’s Rohingya Solidarity Organization, which is based in southeast Bangladesh, has also established ties with JI.¹⁴⁸ These reports are difficult to confirm.

Despite these apparent developments within Bangladesh, visiting Secretary of State Colin Powell told his Dhaka audience in June 2003 that “Bangladesh has been a strong supporter in the war against terrorism because their enlightened policy is that terrorism ... effects us all.”¹⁴⁹ The Government of Bangladesh has also denied that Bangladesh has become a haven for Islamic militants, such as the Taliban or Al Qaeda.¹⁵⁰ The Bangladesh government has also denied allegations made by Indian Deputy Prime Minister Advani that Bangladesh had aided Pakistan’s Inter-Services

¹⁴³ Bertil Lintner, “Bangladesh: Breeding Ground for Muslim Terror,” [http://www.atimes.com]

¹⁴⁴ *Ibid.*

¹⁴⁵ Kimina Lyall, “Hambali Moved JI Front Line to Bangladesh, Pakistan,” *The Australian*, September 27, 2003.

¹⁴⁶ “Pakistan Nabs Six More Terror Suspects,” *Xinhua News Agency*, September 26, 2003.

¹⁴⁷ Bertil Lintner, “Bangladesh: Celebrations and Bombs,” [http://www.atimes.com]

¹⁴⁸ Statement of Dr. Zachary Abuza, House International Relations Subcommittee on International Terrorism, Non-proliferation and Human Rights, October 29, 2003.

¹⁴⁹ Secretary of State Colin Powell, “Press Briefing,” Dhaka, Bangladesh, June 19, 2003.

¹⁵⁰ “Bangladesh Calls Time Article on Militant Fictitious,” *Associated Press*, October 16, 2002.

Intelligence and Al Qaeda elements.¹⁵¹ It has also been reported that the Bangladesh Rifles and police have captured weapons during anti-terrorist operations in the southeastern border region with Burma in August and September 2003.¹⁵² (For further information on Bangladesh, see CRS Report RS20489, *Bangladesh: Background and U.S. Relations*, by Bruce Vaughn.)

Nepal

The Communist Party of Nepal (Maoist)/ United Peoples Front has been identified as an Other Terrorist Group by the U.S. Department of State.¹⁵³ On October 31st 2003, the United States Government went further and announced that for national security reasons it was freezing Maoist terrorist assets. The security situation in Nepal has deteriorated since the collapse of the cease fire between the Maoists and the government on August 27, 2003. By some estimates, the numbers of Nepalese killed since August has risen significantly. This brings the total number killed since 1996 as high as 9,100 by some accounts. It has also been reported that the Maoists' anti-United States rhetoric has grown and that there is a "potential threat to U.S. staff and facilities in Nepal, including aid programs."¹⁵⁴ Currently, an estimated 32,000 Maoist fighters are opposed by 120,00 Nepalese soldiers and police.¹⁵⁵ India has acknowledged a link between the Maoists and leftist extremists in India.¹⁵⁶

The Maoists' message frequently calls for the end of "American imperialism" and for the "dirty Yankee" to "go home." The Maoists' Chief Negotiator and Chairman of the "People's Government," Baburam Bhattarai, reportedly threatened the United States with "another Vietnam" if the United States expands its aid to Nepal.¹⁵⁷ In September, Bhattarai sent a letter to the U.S. Ambassador in Kathmandu which called on the United States to stop "interfering" in the internal affairs of Nepal.¹⁵⁸ Maoists claimed responsibility for killing two off-duty Nepalese security guards at the American Embassy in 2002,¹⁵⁹ and the Maoists have made it known that

¹⁵¹ "India's Remarks on Bangladesh Aiding Terrorists Rejected," *Xinhua News Agency*, November 8, 2002.

¹⁵² "Bangladesh Country Report," *Economist Intelligence Unit*, October, 2003.

¹⁵³ *Patterns of Global Terrorism*, United States Department of State, Office of the Coordinator of Counter-Terrorism, April, 2003.

¹⁵⁴ "Nepal's Forgotten Rebellion," *Jane's Foreign Report*, October 23, 2003.

¹⁵⁵ Chitra Tiwari, "Violence Soars After Peace Talks Fail," *The Washington Times*, November 1, 2003.

¹⁵⁶ "New CRPF Unit to Fight Naxals Likely," *Business Standard*, November 5, 2003.

¹⁵⁷ Thomas Bell, "Maoist Army Wins Hearts and Minds in West Nepal," *The Globe and Mail*, September 18, 2003.

¹⁵⁸ Binaj Gurubacharya, "Maoist Rebel Leader Asks U.S., China, India to Stop Interfering in Nepal," *Associated Press*, September 25, 2003.

¹⁵⁹ Binaj Gurubacharya, "Nepal Rebels Threaten U.S.-Funded Groups," *Associated Press*, October, 22, 2003.

American trekkers are not welcome in Maoist-controlled Nepal.¹⁶⁰ Further, the Maoists stated on October 22nd that American-backed organizations would be targeted. Rebel leader Prachanda is reported to have stated that groups funded by “American imperialists” would not be allowed to operate in Nepal.¹⁶¹

After the cease fire, the Maoists appeared to be shifting from large-scale attacks on police and army headquarters to adopting new tactics that focused on attacks by smaller cells conducting widespread assassinations of military, police and party officials.¹⁶² The unpopularity of this policy appears to have led the Maoists to shift policy again in October and declare that they would not carry out further political killings or further destroy government infrastructure. Despite this guarantee, attacks continue. Regional leader of the Maoists, Ram Prasad Lamichhane of the Gandak region, renounced the party for using terrorism in November 2003.¹⁶³ The Maoists’ guarantee against terrorist attacks did not extend to projects “run directly by the United States.”¹⁶⁴ The United States Agency for International Development and Save the Children both operate in Nepal. On October 27, Maoist leader Prachanda stated that “we will ensure that no American citizens — tourists or officials — except those who come to the battlefield with the Nepal Army would be caused any harm by the Maoist militia.”¹⁶⁵ (For further details on the Maoists and Nepal, see CRS Report RL31599, *Nepal: Background and U.S. Relations*, by Bruce Vaughn.)

Sri Lanka

The Liberation Tigers of Tamil Eelam (LTTE) of Sri Lanka have been identified as a Foreign Terrorist Organization by the United States Department of State.¹⁶⁶ More than 64,000 people have died in Sri Lanka’s unresolved civil war over the past 20 years. The LTTE is reportedly responsible for more suicide attacks than any other terrorist organization worldwide.¹⁶⁷ Hopes for a peace agreement with the LTTE, that would grant the Tamils a degree of autonomy in the northeast, have been put into doubt by recent moves by President Kumaratunga. Kumaratunga, who was wounded in a LTTE attack, reportedly believes that her political rival, Prime Minister Wickremesinghe, has been too ready to make concessions in negotiations with the LTTE. Their differences highlight debate in Sri Lanka and elsewhere, on the best

¹⁶⁰ Amy Waldman, “Chance for Peace Fades in Nepal as Deaths Rise,” *The New York Times*, October 13, 2003.

¹⁶¹ Binaj Gurubacharya, “Nepal Rebels Threaten U.S.-Funded Groups,” *Associated Press*, October 22, 2003.

¹⁶² “Nepal: Back to the Gun,” *International Crisis Group*, October 22, 2003.

¹⁶³ “Regional Leader of Nepali Maoists Quits Party,” *BBC News*, November 10, 2003.

¹⁶⁴ Kedar Man Singh, “Nepal’s Maoist Rebels Say They Will Not Carry Out Political Killings,” *Agence France Presse*, October 22, 2003.

¹⁶⁵ Kedar Man Singh, “Nepal Maoists Say Americans Safe,” *Agence France Presse*, October 27, 2003.

¹⁶⁶ “Foreign Terrorist Organizations,” United States Department of State, Office of Counterterrorism, May 23, 2003.

¹⁶⁷ “Sri Lanka’s Crisis,” *International Herald Tribune*, November 13, 2003.

means for addressing terrorism and the best mix of a military and political solution.¹⁶⁸ The LTTE has thus far stated that they remain committed to the peace process despite recent political turmoil and infighting inside the Sri Lankan government.¹⁶⁹ LTTE “Supremo” Velupillai Prabhakaran has sought guarantee that the government will honor the cease fire during the period of internal turmoil within the Sri Lankan government. The Norwegian government has played an active role in trying to broker a lasting peace between the LTTE and the Sri Lankan government. Hardliners, represented by the President, have accused the Norwegians of exceeding their authority in trying to broker a peace agreement.¹⁷⁰ There is concern among some analysts that the rivalry between the president and the prime minister could lead the LTTE to relaunch a terrorist campaign to force the president back to the negotiating table. Others feel that the LTTE will be hesitant to do so because it would thereby lose the political legitimacy that they have been gaining.¹⁷¹ The United States has recognized that the LTTE is engaged in a peace process and holds the hope that the LTTE will renounce terrorism and cease terrorist acts. Until such time, the United States Government has stated that it will not remove the LTTE from the Foreign Terrorist Organization list.¹⁷² (For further details on the LTTE and Sri Lanka, see CRS Report RL31707, *Sri Lanka: Background and U.S. Relations*, by Bruce Vaughn.)

¹⁶⁸ Elizabeth Sullivan, “Taming Terror Takes Toughness and Persuasion,,” *The Plain Dealer*, November 6, 2003.

¹⁶⁹ “Turmoil May Stall Tamil Peace Talks,” *Irish Times*, November 6, 2003.

¹⁷⁰ “Norwegian Envoys Head for Talks with Tamil Tiger Supremo,” *Channelnewsasia*, November 13, 2003.

¹⁷¹ “Sri Lanka Likely to Remain a Simmering Political Risk,” *Dow Jones International News*, November 9, 2003.

¹⁷² Richard Boucher, “Status of LTTE, Press Statement,” *Presswire*, October 3, 2003.

Figure 2. Map of South Asia

Adapted by CRS from Magellan Geographix. Boundary representations not authoritative.

Figure 3. Map of Pakistan



Source: Map Resources. Adapted by CRS. (K.Yancey 11/12/04)